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# Southeast Asia Report

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26 MAY 1987

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## INDONESIA

### NEED FOR COAL IMPORTS FROM PRC, AUSTRALIA VIEWED

Jakarta SUARA PEMBARUAN in Indonesian 6 Mar 87 p 11

[Excerpts] Jakarta, 6 March--Imports of coal from the PRC to meet the demands of the Suralaya PLTU (steam-powered electric power plant) began at the end of 1986, and coal contracts with Australia were not extended. The imports are being handled by the Coal Mining PERUM [Public Enterprise], according to information gathered by PEMBARUAN from the Department of Mining and Energy on Thursday [5 March].

The coal imports from the PRC are the realization of a contract signed on 8 August 1986 in Beijing by Indonesian and PRC firms for the reciprocal purchases of 400,000 tons of Chinese coal and 100,000 tons of Indonesian cement valued at \$13 million.

Coal imports from Australia in 1984-85 totaled 440,000 tons. The imported coal, along with coal from Bukit Asam, is kept in storage yards at Suralaya for use as the main fuel for the PLTU.

Figures gathered by PEMBARUAN show that Suralaya PLTU I and II require 2.5 million tons of coal annually. The main coal source for the Suralaya PLTU is the Bukit Asam mine, which was able to produce only 720,000 tons in 1985 and 1,015,300 tons in 1986. Imports were required to compensate for the shortfall.

### Increase Production

According to other reports, the Suralaya PLTU is trying a 60,000 ton sample of coal from PT [Limited Company] Arutmin, a private coal company in South Kalimantan. If the test is successful, the government probably will use coal from the company, which is expected to have a production capacity of 1.5 million tons but is capable of producing only 500,000 tons at present.

Meanwhile, PT Bukit Asam Coal Mine is trying to increase its production and has a target of 3 million tons for 1989, when the mine expansion project will be completed and all equipment will be in full operation.

As part of the effort to obtain coal for the Suralaya PLTU, cooperation with the PJKA [Railway Service Enterprise] is under way for the addition of new

rail lines and freight cars and the repair of other facilities. Railway repairs and the procurement of new cars will stop the accumulation of coal at Tanjung Enim, South Sumatra.

Coal production by several PMA [foreign capital investment] contractors in East and South Kalimantan is expected to begin in 1988-89.

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CSO: 4213/69

## INDONESIA

### IMMIGRATION OFFICIAL DISCUSSES 'STATELESS' PERSONS

Jakarta KOMPAS in Indonesian 6 Mar 87 p 3

[Text] Jakarta, KOMPAS--Not everyone classified as "stateless" (not possessing citizenship in a specified country) should be detained in immigration quarantine barracks. Some of them should be permitted to seek their livelihood like citizens of this country.

Drs Hamsuk S. Wijaya, chief of HUMAS [public relations] of the DITJEN [Directorate General] for Immigration, made this statement yesterday. He confirmed that it is believed there are many people in Indonesia whose citizenship status is unclear. Most of such people are of Chinese descent.

In explaining the reason for this situation, Hamsuk said that following issuance of PENPRES [Presidential Directive] 10/59, which banned foreigners from doing business in towns at the subdistrict level, thousands of PRC citizens, or "overseas Chinese," left Indonesia.

Other Chinese citizens were not able to leave, although the government had issued EPO (permit for exit only) documents to them. "Those who were thus not able to leave were the ones whose status became unclear," Hamsuk stated.

It is not accurate, however, to classify them as stateless, he said. They actually have citizenship (such as of the PRC), but because they were not able to leave Indonesia their status becomes uncertain, Hamsuk explained.

Those people cannot be put in immigration quarantine. "They are not illegal immigrants, and they are not truly stateless," he asserted.

Hamsuk did not say exactly how many there are of them. He said only that a recent registration of aliens found 32,320 people who do not hold immigration documents. A total of 350,614 aliens registered themselves.

#### Regulated

Such a status causes trouble, both for the people involved and for the government. Tax regulations do not apply to them, but they are required to report to authorities. Furthermore, there may be problems if they try to go into business.

In order to deal with this problem, Immigration officials have a plan for regulating immigration documents. In principle, every person in Indonesia must have a document. Nevertheless, Hamsuk emphasized, Immigration will not issue new rules.

In other words, such regulation is not intended to change citizenship status. "We want only to regulate matters related to immigration. Their status will continue to be left as it is," said the chief of Immigration HUMAS.

"Only persons who have entered Indonesia illegally will be put in quarantine," he added. That will include people who have no citizenship, meaning persons who arrive without any papers at all and who are not recognized as citizens by any country.

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CSO: 4213/69

BENGKULU NU TO VOTE FOR GOLKAR

Jakarta SUARA KARYA in Indonesian 6 Mar 87 p 6

[Text] Bengkulu, SUARA KARYA--NU [Nahdatul Ulama] members throughout the Bengkulu Province intend to vote for GOLKAR in the forthcoming 1987 elections.

Drs Badrun Munir, regional chairman of the NU for Bengkulu Province, on Wednesday [4 March] read a statement of the unanimous intent of Bengkulu NU members at the closing program of the extraordinary plenary session of the Bengkulu NU held at Curup.

The statement was signed by 22 representatives of mass organizations under the NU, NU functionaries in the Bengkulu area, and representatives of NU regional councils from regencies and cities throughout Bengkulu Province.

The statement of NU unanimous intent was accepted by H. Buldani Massik, chairman of the GOLKAR DPD [Regional Executive Council]. Besides declaring their intent to vote for GOLKAR, Bengkulu NU members also called on the MPR [People's Consultative Council] that will be selected in the elections to nominate and designate Soeharto as Indonesian president for the 1988-93 term.

They said in their statement that making the elections a success is the duty of every citizen and of every Bengkulu NU member in order to maintain the leadership of the New Order and ensure continuity in national development.

The closing program was also attended by R. Siddik Soemarjo, chief of the SOSPOL [Sociopolitical Affairs] Directorate for Bengkulu Province, Rejang Lebong Regent H. Waras Santoso, members of the Rejang Lebong Level II MUSPIDA [Regional Executive Council], and the chairman of the Rejang Lebong Level II DPRD [Regional Legislature].

The Bengkulu NU plenary session was attended by 104 participants from regional boards of directors, leaders of Islamic scholars, and mass organizations in the sphere of the NU in Bengkulu Province.

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CSO: 4213/69

# ISLAMIC GROUPS OPPOSE MUSLIM PARTY

## NU Efforts

Jakarta TEMPO in Indonesian 7 Mar 87 p 13

[Text] The PPP [Development Unity Party] is now being harassed by former advocates. In Central Java, for example, there are at least five prominent people who are busy at unsettling the PPP: Drs Ahmad Bukhari Masruri (NU [Nahdatul Ulama] chairman for Central Java), Drs Imron Abu Amar, KH [Islamic Scholar and Pilgrim] Hamid Baidlowi, KH Ahdlo'i, and Muchlisin. These NU figures have toured various areas during the last several months in a campaign to "deflate the PPP."

"We are quite ready to be a dredge boat. PPP people are getting rougher," Imron Abu Amar, secretary of the NU Consultative Council for Central Java, who also teaches every day at the Walisanga IAIN [State Islamic Institute] in Semarang, told TEMPO. As far as Imron is concerned, the NU decision to return to the 1926 line of struggle can only be interpreted to mean that "NU members must completely drop their connections with the PPP [Development Unity Party]."

Imron feels his efforts are receiving much support. NU members are not the only ones who attend his Koran readings, lectures, and meetings in various places. Local officials, such as regents and subdistrict heads, always take time to come. "Response from them is good," said the leader who was appointed as coordinator of the "dredging." The positive response comes possibly because Imron urges NU members to vote for GOLKAR in the April election.

The depletion work is not any less vigorous in East Java. Many NU scholars, whether as "guerrillas" or openly, are trying to harass the PPP. H.M. Sohib, deputy chairman of the Ansor GP [Youth Movement] for East Java, said, "It was not the NU that left the PPP, but the PPP that was thrown out of the NU. Let them know how it feels. Let them be a bonsai."

Before thousands of NU members at Bangil last week, KH Abdul Hamid Baidlowi, 41, took part in the fiery rhetoric. "The PPP is no longer an Islamic party, and their leaders are confused. Just vote for the PDI or GOLKAR!" he shouted to an accompaniment of roaring applause.

KH A. Hamid, who is a member of the Central Java NU Consultative Council, always receives a broad welcome on his visits to various cities and Madura. He is indeed quite respected in East Java. Many Islamic scholars there were students of his father, KH Baidlowi, and he was a close friend of the late KH Hamid of Pasuruan, known in NU circles as a spokesman of God.

For H. Mahbub Djunaidi, deputy chairman of the NU PB [Executive Council], the program for depleting the ranks of the PPP is appropriate. "The PPP is too much, for they don't pay attention to organizational aspects any more. The attitude of its leaders is humiliating to the NU," he asserted. He cited the PPP position on Zamroni, who, although he was second man in the PPP PB, was not included among nominees to the parliament. "Let it be known that the NU is out to deflate the PPP. They will feel it," said Mahbub, laughing.

Use of the word "deflate" is not new. In the 1977 elections, said Mahbub, Muslim intellectual Nurcholish Madjid actively campaigned for the PPP. His objective was to prevent a significant difference between the number of votes for the PPP and those cast for GOLKAR. Nurcholish used the term "pump up." Now that the PPP has changed, "it should be deflated."

The PPP is not frightened by this action. To Karmani, SH, [Master of Laws], PPP chairman for Central Java, Imron and his colleagues, are not Muslim preachers with the most influence. "The people know Imron's role and objective. We are not disturbed in the least. We haven't lost a single hair of our heads," he declared.

There is, in fact, a rumor that Imron and his fellows are preaching only because they received 20 million rupiahs from certain officials and because they want a free pilgrimage to Mecca and have their eyes on certain jobs. Imron strongly denies it.

Ahadin Mintaroem, PPP secretary for East Java, does not take the NU effort seriously, either. The deflation effort, said Ahadin, will merely strengthen the PPP membership. Another matter: Islamic Teacher Amin Imron of Bangkalan, who is in fact a grandson of KH Kholil, remains faithful to the PPP. His name was included in the DCT [final list of candidates], although "Muslim teachers in East Java were Kholil's students," Ahadin said.

#### SI, MI Positions

Jakarta TEMPO in Indonesian 7 Mar 87 p 14

[Excerpt] Although the PPP symbol is the star, the PPP's magic is not shining very brightly as time before the elections falls to just 7 weeks. While the other contestants are dressed up and try to present a good image to the public, the number one player is still wallowing in the mud of controversy.

Take, for example, the statement by SI (Serikat Islam) leaders giving its members liberty to express their own political aspirations in the forthcoming elections, in spite of the fact that the SI was a supporter of the PPP when the PPP was founded.



"While the SI is being slaughtered in the PPP, there is no way we can continue our support," said M.A. Gani, chairman of the SI Executive Board. This attitude apparently arises from disappointment that SI candidates will be removed from the DCT. In previous elections, an SI member was always the fourth candidate in Aceh, but the SI is now in the number six position. "The fourth spot was our right. If that's taken away, we don't have any further responsibility to support them," declared Gani, who plans to publicize the statement of nonsupport for the PPP.

The SI statement was similar to the MI (Muslimin Indonesia) position, which was announced at the end of last month. Although the MI had made an equivalent statement last September, it did not evoke much response because only Ridwan Saidi had signed it. At that time, people saw Ridwan's action as an emotional reaction to Naro's removal of his name from the candidate list. The MI declaration had more teeth in it this time, for seven opponents to Naro took part in signing it. Who were they, but Soedardji and his group in the FPP [Development Unity Faction in Parliament]? The reconciliation between Ridwan and Soedardji was surprising. Apart from being in different factions, they did not get along well personally. H. Nuddin Lubis, deputy chairman of the DPR [Parliament], was involved in making peace between the two enemies.

The dispute between Naro and Soedardji, now backed by Ridwan, has a new format. After Soedardji lost out in the PPP, the MI became the battlefield. The issue was Naro's act of altering MI leadership early last month. Ridwan and Dardji were fired from their positions in the organization and were replaced with Yusuf Syakir and Mardinsyah. "So, the ones who issued the statement were no longer MI leaders," declared Mardinsyah. But, as usual, Dardji felt he had many options. "If Naro can appoint MI officers whenever he chooses, so can I," said Dardji with his usual spirit of conviction.

Does the MI still exist now? The MI was an incarnation of PARMUSI (Indonesian Muslim Party). When the political party was formed in 1967, it was a coalition of 16 organizations with political orientation similar to that of Masyumi. They included the Muhammadiyah, Al-Irsyad, and Al-Washliyah. The symbol of the organization was the star and crescent, which had been the symbol of Masyumi. When fusion took place in 1973, PARMUSI became a mass organization and took the name Muslimin Indonesia. Lukman Harun, chairman of the Muhammadiyah and former secretary general of PARMUSI, said, "Since PARMUSI is no longer a party, supporting organizations reverted to their previous status." By that, he meant there is no longer an organization called "MI."

For Soedardji, the MI still exists, and he wants to revitalize it. "We intend to revitalize it, and if Naro still acts lousily we will replace him," he exclaimed forcefully. A new crisis is apparently about to erupt while the previous crisis persists, as marked by the incident in the FPP in recent weeks.

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## INDONESIA

### NU CHIEF ADDRESSES PDI MEMBERS

Jakarta SURABAYA POST in Indonesian 14 Mar 87 p 2

[Text] Surabaya--The Nahdatul Ulama (NU) has never retreated from the world of politics, and it will continue to play a role in politics, although not as a subsidiary of a political organization. Thus, there is no problem if many NU members support the PDI [Indonesian Democratic Party]. In fact, NU members may campaign for the PDI in order to make the 1987 elections a success. Conversely, the NU opens its arms to Muslim members of the PDI.

That was the statement of Dr KH [Islamic Scholar and Pilgrim] Abdurrahman Wahid, general chairman of the PBNU [Executive Council of the NU], before thousands of PDI members on Friday night [13 March] at the PDI's First Islamic Forum, which was attended by PDI DPP [Central Executive Council] General Chairman Drs Soerjadi, East Java PDI DPD [Regional Executive Council] Chairman Drs H. Marsoesi, and Megawati Soekarnoputri.

After the 27th NU Congress, according to "Gus [Brother] Dur" (Abdurrahman Wahid), who wore batik with the letters "NU" on it, the NU entered a new phase, in which it is no longer the subsidiary of a political party. NU members may as individuals join political parties or GOLKAR. Similarly, the NU's main constituency, Islamic boarding schools, will not deal with politics. Members of the schools may join GOLKAR, the PDI, or the PPP [Development Unity Party].

The boarding schools will also not be aligned with the PDI, according to Soerjadi, but there are students and teachers who have joined the PDI. Agreeing with Soerjadi, Marsoesi cited information that many NU teachers have been campaigning for the PDI.

Marsoesi stated his conviction that no one will be able to dampen enthusiasm for ties between the NU and the PDI. In the future, the NU and the PDI will work to free the people from poverty and ignorance. The PDI will support the NU in everything, seeing that many NU people are members of the PDI.

### Many Similarities

The PDI motto, "We advance nationalism and patriotism with Islamic fervor," and quotations from the Koran were written on the backdrop of the platform

used for the rally. Gus Dur, Soerjadi, and Marsoesi all commented on the backdrop, agreeing that the PDI motto and the quotations from the Koran are the objectives of both the NU and the PDI and are incorporated in the constitutions of those organizations.

The three speakers stated that there are many similarities in the programs of the NU and the PDI. No reason exists, therefore, for not cultivating cooperation. Quoting an Islamic boarding school saying that man will always be held captive by goodwill, the PBNU chairman said that if anyone shows goodwill to the NU, the NU will reciprocate with goodwill and respect. On the other hand, if anyone shows anger toward the NU, all NU members will respond with anger.

When asked if there is someone who is angry with the NU organization, Gus Dur replied, yes. Therefore, do not blame the NU if NU people reciprocate with anger and withdraw the support that has been given in the past.

"I call on NU people and PDI members to free themselves from the narrow sphere in which they have been confined," declared Gus Dur. Soerjadi admitted that the PDI has been preoccupied with itself and has never opened up to others, like the proverbial frog under a coconut shell, who is ignorant of the outside world.

Drs Marsoesi stated in the forum that he saluted the success of the 27th NU Congress and declared that history is certain to note that the NU had a prominent role in political changes. According to Marsoesi, the NU reflects understanding of nationalism and religion in the truest way. The PDI, which is 90 percent Muslim, will follow the NU's true Islam.

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CSO: 4213/69

REACTIONS TO PROPOSED REVIVAL OF STUDENT ACTIVITY

New Concept Suggested

Jakarta KOMPAS in Indonesian 3 Mar 87 pp 1, 12

[Text] Jakarta, KOMPAS--The Executive Council [PB] of the Muslim College Students Association [HMI] reacted positively to a proposal by Prof H.A. Mukti Ali, former minister of religion, that student organizations be revived. The PB urged that the matter be dealt with nationally through formulation of a new concept that would assure the quality of student life as one of the elements of the university academic community.

In a statement issued on Sunday [1 March] and signed by PB Chairman Muchriji Fauzi and Deputy Secretary General M. Syarif Hutaaruk, the HMI PB declared that efforts to reestablish intrauniversity student organizations are relevant to facing today's challenges and require a new and accurately defined concept.

The statement noted fundamental factors in the paralysis of student organizations, factors that cannot be separated easily from the system used to manage universities. The PB HMI thinks the current system falls short strategically and has little qualitative impact on efforts to make students into leaders.

Remove Bureaucracy

The HMI believes the placement of the rector as sole leader of the university community, with responsibility for overseeing activities and for giving legitimacy to programs, actually destroys the dynamics of student organizations, whereas those organizations incorporate the intellectual potential of students as a moral force. It is therefore difficult to make the early identification we desire of potential leaders being produced in the universities. Because of the growing bureaucracy in universities and the lack of opportunity for creative and productive student growth, students enter a merely routine and mundane daily life.

For that reason, the HMI feels deregulation and the removal of bureaucracy should be implemented immediately at universities. Efforts toward the reconstruction of student organizations and the development of a system for

managing student life should involve students in the formulation of their own idealism and aspirations, which should then be made factors in shaping a democratic institution that fosters an atmosphere of consultation.

#### Put Aside Misunderstanding

According to the HMI, it is time for the government to put aside misunderstanding of student activities related to state and national affairs. Such misunderstanding has prompted critical opinion and corrective involvement. The government should now look with understanding and wisdom on student activities and see them as a dynamic translation of youthful idealism into social reality.

The HMI added that Prof Mukti Ali's statement that students do not get enough experience in community life as a result of Campus Life Normalization (NKK) and paralysis of student organizations by the Semester Credit System (SKS) implies that students are not being prepared to be leaders but merely workers in national development but without aggressiveness and firm commitment to the people.

The HMI feels the SKS has not had a qualitative impact on the process of making better students and has not encouraged students to function in organizations. Furthermore, it is clear that the NKK concept has not made students into "men of analysis" but rather has killed any spirit of commitment to the people.

#### Dynamic Campus Life Urged

Jakarta KOMPAS in Indonesian 10 Mar 87 pp 1, 12

[Text] Jakarta, ANTARA--Prof Dr Fuad Hassan, MENDIKBUD [minister of education and culture], declared his agreement that efforts to bring dynamism to campus life are essential. He does not believe, however, that such efforts should be much oriented to the past. "Thinking about the past is too nostalgic, for present conditions are probably different," he told ANTARA on Saturday [7 March] in Jakarta when he was asked his opinion of the statement by Prof Dr H.A. Mukti Ali on the need to revive student organizations.

The former minister of religion, who is now rector of Sunan Kalijaga IAIN [State Islamic Institute] in Yogyakarta, said in his speech at the Cultural Seminar in Jakarta on Thursday [5 March] that college student organizations need to be revived through a nationally formulated concept that will ensure that quality of student life will be an element of academic community life at universities.

"I agree they must be dynamic. But campus dynamism must suit the uniqueness of the academic community by being academically dynamic," he asserted further. He also emphasized that it is too simplistic to think that efforts to bring dynamism to campus life must be preceded by the formation of mechanisms first. The MENDIKBUD said students should become achievers, not only in academics but in other areas as well, thus becoming versatile in their skills.

"I heartily agree, and I am in fact delighted when a student is not only brilliant but is also a star, an athletic champion, or is active in organizations," Fuad Hassan added. He noted, however, that students do not need to acquire all their skills and knowledge within the campus sphere. "The substance is the first thing. Plan well and consistently; then think about the mechanism. Don't be those who set up the mechanism first but have no substance," he declared.

"I learned to play music apart from a campus," he said as an example. The first responsibility of citizens of academia is to conform to the three-fold duty of higher education: to carry out study, research and community service. Those three things are quite difficult if taken seriously, especially if other responsibilities are also accepted.

#### Improve Quality

The MENDIKBUD said further that it is important for citizens of academia to fulfill the unique role of their community because of the close relationship of that role to improvement of university education.

Comments on the poor quality of education are frequently heard. Why not together solve the problem of improving the quality of university education, he asked, rather than disputing comments that the quality of education is lower than we want it to be?

It is time for higher education to enter a consolidation phase, in which teaching staffs are developed, methods of study are improved, and, especially, suitable library facilities are acquired. That means the tendency towards expansion in higher education must be stopped for the time being, because the pressing need is improvement in quality. Permitting expansion to continue will degrade the quality of higher education. Each educational institution must maintain a foundation of academic standing rather than academic community, he stated.

"The primary objective of higher education is not to produce people with degrees but people of knowledge and culture, or intellectuals in the widest sense. It is not an arena merely for the pursuit of degrees," said MENDIKBUD Fuad Hassan.

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CSO: 4213/69

## INDONESIA

### BRIEFS

SUGAR PRODUCTION UP--Jakarta, KOMPAS--Granulated sugar production reached 2,016,129 tons in 1986, an increase of 17.1 percent over the 1,721,667 tons produced in 1985, according to data released by the Department of Agriculture on Thursday [5 March]. These figures came after all sugar mills (67 of them), both in Java and outside Java, had completed their 1986 refining seasons. The yield of sugar from cane dropped by 1.6 percent from the 1985 yield of 8.17 percent to 8.04 percent in 1986. The reduced yield was offset by an increase in production from 76.5 tons per hectare (1985) to 79.3 tons per hectare (1986), an improvement of 3.6 percent. The production of granulated sugar per hectare thereby rose from 6.25 tons to 6.38 tons in that period, an increase of 2.1 percent. The substantial 17.1 percent national gain in sugar production was largely because land planted in sugarcane was expanded from 275,492 hectares (1985) to 316,003 hectares (1986), an increase of 14.7 percent. Sugar production in 1987 is expected to reach 2,126,137 tons, or 5.45 percent more than in the 1986 refining season. That production will be achieved from an area of 325,934 hectares and from 25,528,761 tons of cane. [Text] [Jakarta KOMPAS in Indonesian 6 Mar 87 p 2] 6942

CSO: 4213/69

THAI ART TROUPE'S FRIENDSHIP VISIT LAUDED

BK281314 Vientiane Domestic Service in Lao 0000 GMT 26 Apr 87

[Feature: "For Songs of Peace and Mutual Good Relations"]

[Text] Overcoming their fear of Lao communists or Lao brothers, fear for their own security, and the intention of bad elements in Thailand to create rifts between the Lao and Thai peoples, the 42-member Thai art troupe successfully paid a 1-week friendship and performance visit to Laos. The success of this visit was the result of collective efforts of both sides in continuing to carry out a cultural and artistic exchange between the two peace organizations of Laos and Thailand, which represent the good will of the Lao and Thai peoples in trying to improve the brotherly relations between the two countries to create an atmosphere of peaceful coexistence and strengthen the good relations between the Lao and Thai peoples. The Lao side has initiated several projects to realize this cultural and artistic goal.

In mid-December last year, a Lao art and acrobatic troupe paid a friendship performance visit to Thailand. It presented performances in Bangkok, Chiang Mai, Mahasarakham, and Nong Khai where it received special interest from the Thai people of all strata. It is not strange at all that the Thai people could attend and understand the songs, dances, and all acts of performances presented by the Lao art and acrobatic team without further interpretation. The same was true when the Thai art troupe presented its performances in Laos in the recent past. No interpreters were needed on both occasions.

The Thai artists presented four friendship performances in Vientiane and two in Luang Prabang. In addition to promoting mutual understanding between the Lao and Thai artists and peoples, such friendship performances also served to reiterate their determination to smash all sinister schemes of the bad elements who intend to use the tradition of fine relations between the Lao and Thai peoples as a pretext to undermine the affections for peace and friendship currently being nurtured by the two peoples. The songs of peace and for life sung by the Caravan band singers and Phongthep Kradonchamnan, the relics composed by Thai poet Professor Nawarat Phongphaibun describing the significance of profound Thai-Lao relations, and the immortal songs sung by Suthep



Wongkhamhaeng, the classical dancing by dancers from the Khitasin dance center, and other performances presented by the Thai artists have represented the mutual understanding and affections between the Lao and Thai peoples.

The farewell ceremony at Tha Naleng on 17 April was permeated with an atmosphere of intimacy between the Lao and Thai peoples. The sounds of goodbye and the wishing of good luck to each other between the artists of the two countries echoed loudly until the river barge sailed out of sight.

/9738

CSO: 4200/527

BRIEFS

THANK-YOU FROM HUNGARY--Vientiane, 28 Apr (KPL)--Lao leaders have received a joint message from Janos Kadar, general secretary of the Hungarian Socialist Workers Party CC, Losonczi, president of the Presidential Council and Georgy Lazar, chairman of the Council of Ministers of the Hungarian People's Republic, thanking them for their congratulations on the Hungarian national day. The message was addressed to Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party CC, chairman of the Council of Ministers, and Phoumi Vongvichit, acting president of the Lao PDR. In their message, the Hungarian leaders expressed their hope for further promotion of the friendly ties between the two nations for the interests of the Lao and Hungarian peoples, and for the cause of socialism and peace. [Text] [Vientiane KPL in English 0901 GMT 28 Apr 87 BK] /9738

SPORTS TRAINING DOCUMENT--Vientiane, 28 Apr (KPL)--The Lao PDR and the Soviet Union have decided to cooperate in sport training. According to a document signed here yesterday, the two sides will cooperate in the training of athletes for three categories of sport: boxing, football and table-tennis. [Text] [Vientiane KPL in English 0908 GMT 28 Apr 87 BK] /9738

CSO: 4200/527

# MITSUBISHI TO SUPPORT PROTON EXPORT

Kuala Lumpur BUSINESS TIMES in English 7 Apr 87 pp 1, 16

[Article by Joe Chan]

**[Text]** MITSUBISHI Motors Corp (MMC) and Mitsubishi Corp (MC) will give their fullest cooperation and assistance to Proton in support of its export drive.

Announcing this yesterday, Proton chairman Tan Sri Jamil Jan said several areas for tighter cooperation have been proposed following a series of meetings with a high-powered team from MMC and MC, 30 per cent shareholders of Proton.

Among the recommendations made was a proposal to transfer the manufacture of body components from Japan to Malaysia for re-export to other manufacturing plants of MMC/MC to increase the utilisation of Proton's pressing facilities.

Proton's \$90 million pressing facilities can cater to a maximum capacity of 80,000 units a year, he said.

But if the overheads were spread over the present rate of about 20,000 units a year, the costs will shoot up, he explained.

Therefore, it was a business decision that MMC/MC undertook to optimise the project's viability and profitability in the long run.

"To utilise our plant's facilities to the fullest, we have to export to the big markets of North America and Europe, which have different safety standards. We have to bring our standards up to theirs if we want to export our car there.

"These require a lot of developmental work and money. We need the knowhow and the money, and these are the areas for cooperation and assistance from MMC/MC," said Tan Sri Jamil.

He explained that the transfer of these processes will start as soon as the need arises. For example, the MMC/MC plant in Thailand may require body components for 20,000 units of Mitsubishi cars a year when it starts operating next year, a capacity that Proton may be able to accommodate.

Meanwhile, Mr M Ueda, managing director of MMC's Office of International Business, said in a statement:

"The unprecedented shrinkage in the number of new passenger cars being registered in Malaysia over the past two years has led MMC/MC to believe that Proton's strategy to increase its exports is an essential alternative strategy to be adopted."

Additionally, MMC/MC have also examined other areas such as alternative sources of components and cheaper financing to put Proton on a stronger footing, added Mr Ueda, who was in Malaysia last week to attend the meetings.

To this, Tan Sri Jamil said: "These proposals have been accepted in principle by MMC/MC. But of course it may take a bit of time before they can be implemented. From what I see, it is on."

He pointed out that such costs, including the cost of depreciation, account for about 75 per cent of Proton's operating costs.

He added that MMC/MC naturally want to operate profitably and therefore, the components sourced must be of good quality and be competitively priced for the joint-venture to be "commercially viable".

Tan Sri Jamil added that Proton is presently discussing with a few South Korean companies the supply of cheaper components without any sacrifice in quality.

This move is in accordance with a proposal made last week to initiate a programme to assist in speeding up the local content programme, particularly those areas that require the use of expensive dies and tooling, by transferring the processes to Malaysia.

Proton can also further save millions of ringgit if it can reduce its loan repayment burden by refinancing its yen loan from cheaper sources and possibly with longer grace and repayment periods. With repayment due sometime in 1989, Proton will try to pay-off its old loans at eight per cent interest a year by acquiring new loans at the present rate of about five per cent.

MMC/MC's commitment to help Proton may seem to be a surprise for some because they were previously not as cooperative or supportive of Proton's export drive, said Tan Sri Jamil.

This is mainly because Proton was supposed to cater solely to the domestic market and not to compete with Mitsubishi cars in other markets.

But because the domestic demand for cars has nosedived, Proton had to change its strategy to one of export, which caught MMC/MC by surprise because such plans were not included in their long-term plans.

It took some time before Proton's export plans settled in because of the "bureaucracy" in a big organisation like that of MMC/MC, both of which were concerned with the shrinking domestic market, said Tan Sri Jamil.

"Nobody could have forecast the drop in the domestic car market. At one time, more than 95,000 cars were sold a year. We would have done well at that time.

"Nobody then could say that our market would drop to 40,000 units in 1986. Industry observers now are even predicting the market to drop further to 28,000 to 30,000 units this year," he said.

Meanwhile, Tan Sri Jamil said the Proton Saga had already undergone about half of the 33 required safety tests in the US.

"It has been very encouraging. The Saga passed most of the tests. For those tests which it failed, only minor modifications are needed," he said.

He also disputed earlier press reports that Bricklin Industries had defaulted on its agreement to undertake the homologation tests on the Saga. Tan Sri Jamil pointed out that all Bricklin had agreed to in the Letter of Intent was to finance the process, regardless of where it was being carried out.

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CSO: 4200/545

ANWAR TO RESIGN YOUTH POST SOON

Kuala Lumpur NEW STRAITS TIMES in English 12 Apr 87 p 1

[Text]

ALOR STAR, Sat. — Umno Youth leader Anwar Ibrahim will announce his resignation from his Youth post after the movement's Exco meeting soon.

Encik Anwar, who is Education Minister, told reporters today this was to pave the way for him to contest a vice-president post in the Umno party elections on April 24.

Encik Anwar said he decided to stand for the post to respect and fulfil the wishes of the majority of party members, including Wanita and Umno Youth members.

He submitted his letter of acceptance of nomination to the post to Umno headquarters two days ago.

Also in Alor Star, Prime Minister Datuk Seri Dr Mahathir Mohamad today denied that he would appoint Umno Youth head Anwar Ibrahim as his successor.

"I have no power to appoint the Prime Minister. Umno and the Umno general assembly appoint the party president who will become Prime Minister," Dr Mahathir said.

Opening the Kedah Umno '87 Convention, he said the allegation that he would appoint Encik Anwar was not true and was being deliberately spread in the course of the campaign to secure posts at the party general assembly.

He said he appointed Encik Ghafar Baba as Deputy Prime Minister because Encik Ghafar could co-operate with him.

"As such I support the election of Encik Ghafar as Umno deputy president because the Umno Constitution says the duties of the deputy president are to assist the president," he said.

Speaking to reporters later, he said the nation's investment situation was very encouraging though there were quarters which claimed that foreign capitalists did not want to invest in Malaysia because of the present scramble for power in Umno.

According to Bank Negara records, foreign investment in Malaysia during the last six months totalled \$4.5 billion, he said.

Last month alone, \$500 million was invested in Malaysia by foreigners. -- Bernama

## FIFTH MALAYSIA PLAN FUNDS CUT

Kuala Lumpur NEW STRAITS TIMES in English 14 Apr 87 p 1

[Article by Loh Sook Wan]

[Text] THE Fifth Malaysia Plan allocations have been cut by one-third from the original \$74 billion to \$49 billion in view of the current economic conditions worldwide and their effect on the Malaysian economy.

The world economic scene has changed drastically since the Fifth Plan (1986-1990) was presented to Parliament last March and even more since the plan was first initiated.

A sharp drop in nearly all primary commodity prices and increasing restrictions in world trade has made the drastic cut necessary.

However, the situation will be constantly reviewed. When commodity prices improve and the world economy picks up, the provisions for the Fifth Plan will also be revised accordingly.

The Director-General of the Economic Planning Unit (EPU), Tan Sri Radin Soenarno bin Radin Soenario, said the decision to cut the allocations was made by the Cabinet last month.

The EPU in the Prime Minister's Department is presently informing all government agencies and ministries regarding adjustments each department has to make to accommodate the cut.

Speaking to reporters in Kuala Lumpur yesterday, he said there will be annual reviews instead of the usual mid-term review of the plans previously.

The Federal Government's annual budgets could include reviews of the Plan.

Tan Sri Radin Soenarno said any changes to approved projects will only be made at the next annual review. He did not say when this will be but it is likely that the 1988 Budget to be presented to Parliament in October this year will provide an insight into the changes.

The cut made last month was not entirely unexpected. With the poor world economy and the influence on Malaysia, the Government has been prompted into the adjustments ahead of time.

Some of the projects under the Fifth Plan which have been postponed will be reinstated when better conditions returned.

Despite the \$25 billion cut in the original allocations, projects which stress eradication of poverty and restructuring of society are not expected to be affected. Projects which will benefit the rural poor such as rural roads, electricity supply, schools and other infrastructure facilities are not likely to be deferred.

Similarly, projects on which work has already started are not expected to be abandoned nor will projects that have been approved by Parliament. Several projects, including housing, which have been carried over from the Fourth Plan are not expected to be affected by the cuts.

The main thrust of the Fifth Plan is also expected to remain unchanged. The Government's emphasis on "growth with stability" will also continue.

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CSO: 4200/545

AQUINO LAUDS SINO-PHILIPPINE JOINT VENTURE

HK291137 Quezon City BUSINESS DAY in English 29 Apr 87 p 22

[Text] President Aquino yesterday stressed anew that "the alleviation of mass poverty is and will remain my government's first priority."

The president reiterated this primary objective of her government in her brief remarks at the inauguration of the six-megawatt Baligatan hydroelectric plant at the Kalayaan Hall of Malacanang.

The Baligatan hydroelectric plant is a cooperative venture between the Philippines and the People's Republic of China. It is located in barangay Ambati, Ramon, Isabela, 360 kilometers north of Manila.

While the project will directly benefit only 1,300 farmer families whose barren land will now be irrigated by the dam, the president said "its impact on the economy and lives of the communities it will serve will be tremendous."

"It is another step toward the full and productive use of the 1.6 million hectares that still need irrigation to meet our people's fast-growing requirement," she said.

In his message, Ambassador Chen Songlu of the People's Republic of China, said the inauguration of the project "serves as a turning point for more fruitful economic cooperation between our two nations, and deeper friendship among our peoples."

The Chinese ambassador said the People's Republic of China "will do everything possible to be of little help to the Philippines in her economic recovery program. [sentence as published]

The Baligatan hydroelectric plant is a component work of the Megat River multipurpose project, the main feature of which is the Megat multipurpose dam.

Work on the project started in September 1985 at the original contract cost of P24,339,632. The cost increased to P28.2 million because of changes in the original plan.

The plant is a joint undertaking of the National Irrigation Administration (NIA) and the China National Machinery and Equipment Import and Export Corporation which won the bid for its construction.



DAVAO DOCTORS URGE BOYCOTT OF U.S. MEDICAL SHIP

HK280709 Davao City DAILY SAN PEDRO EXPRESS in English 8 Apr 87 pp 1, 2

[Text] A group composed of resident physicians in the Davao Medical Center yesterday branded the forthcoming visit of the U.S. Navy hospital ship "Mercy" as an affront to the dignity of the Filipino people.

In a position paper the members of the Davao Medical Center Resident's Organization (DMCRC) circulated to the media establishments they also said that their stand on the supposed joint activity among American doctors on board the hospital ship and Filipino physicians including those who are working with the Davao Medical Center is that of "non-participation."

Their position paper runs as follows:

We, the undersigned employees of, and workers for the Filipino people do hereby register our objections and sentiments regarding the visit of the hospital ship USNS Mercy and proclaim our stand of non-cooperation and non-participation in the forthcoming exercise for the following reasons, to wit:

--The exercise depletes the Davao Medical Center's already inadequate resources, consequently depriving those really emergency cases of much needed resources:

--The diagnostic and therapeutic procedures proposed to be done are not beyond the capabilities of our doctors;

--We, cannot in conscience, allow our countrymen to serve as training specimen to medical men whose credentials and capabilities have not been adequately reviewed by a duly constituted unbiased board of reviewers composed of Filipinos.

Being employees of government, our loyalty is to the people, first and foremost. As citizens of the republic, our loyalty is to the nation and its interest.

We view the coming of the USNS Mercy as an affront to our dignity. We further believe that the exercise is detrimental to the growth of nationalism and development since it once again reinforces the almost unshackled menaces of colonialism and dependence.

We are cognizant of the problems confronting us as a nation and we believe that all of us must work hand in hand to resolve these problems. Certainly, the visit of the NSNS Mercy is not the solution.

We firmly believe that the visit of the NSNS Mercy will be of no lasting benefit to the Filipino people and our country.

In view of this we reiterate our stand of non-cooperation and non-participation. We propose that the visit of the USNS Mercy be cancelled.

Davao Medical Center  
Resident's Organization

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CSO: 4200/538

EDITORIAL OPPOSES BOYCOTT OF U.S. MEDICAL SHIP

HK280711 Davao City DAILY SAN PEDRO EXPRESS in English 8 Apr 87 p 4

[Editorial: "Doctors on 'Mercy'"]

[Text] A group of resident physicians at the Davao Medical Center [DMC] has expressed resentment over the forthcoming visit of the U.S. Navy Hospital Ship USNS Mercy. As a manifestation of that resentment the physicians proclaim a stand of "noncooperation and non-participation" in the exercise.

They advance three reasons for their position. They say that if they cooperate and allow themselves to join in the free service to patients they will unnecessarily deplete the manpower resources of the hospital; the diagnostic capabilities offered aboard the ship are not beyond what the DMC residents have; and lastly, they claim that they could not allow their countrymen to serve as training specimen to medical men whose credentials are not reviewed by a duly constituted unbiased board of reviewers composed of Filipinos.

To their minds the coming of the hospital ship is an affront of the Filipino's dignity. It is detrimental to the growth of nationalism since, according to the residents, it reinforces the "almost unshackled manacles of colonialism and dependence."

The position taken by the members of the Davao Medical Center Resident's Organization (DMCRC) is well-anchored on a truly nationalistic belief. One nation cannot hope to achieve growth and political independence if the people themselves will allow to be strangled [as published].

On the other hand, what the doctors might have forgotten is the fact that the coming of the hospital ship is an offshoot of an agreement between the government of the Philippines and that of the United States. Moreover the very people who are to benefit from the free treatment are our own brother Filipinos who could hardly afford hospitalization even in our government-owned hospitals which is saddled with lack of medicine, indifferent attitude of doctors plus the attendant bureaucratic red tapes.

When they decide not to cooperate and lend their skills to the project on the USNS Mercy they succeed in dramatizing their nationalistic sentiment, alright. But they, too, deprive their fellow Filipinos the desired medical treatment.

It is also a subtle form of placing the Philippine Government on an uncomfortable position with its commitment with the U.S. Government.

All of these could [be] negotiated if we put the interest of our fellowmen above ourselves, our egos.

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CSO: 4200/538

MARCOS COMMENTS ON VIETNAMESE THREAT

AU251546 Paris AFP in English 0203 GMT 25 Apr 87

[Text] Paris, 25 April (AFP)--Former Philippines president, Ferdinand Marcos says in an interview published here Saturday that the number of Vietnamese nationals in Manila is now such that they are potential threat to the security of the Philippines.

"Our capital is crammed with Vietnamese. We don't know whether they are tourists or soldiers," Mr Marcos told the FIGARO Magazine. He said President Cory Aquino had recently authorised airline flights between Manila and the Vietnamese city of Ho Chi Minh Ville (formerly Saigon).

In the interview, recorded recently in Honolulu where he lives in exile, Mr Marcos said that in the event that Filipino communists managed to seize U.S. bases in the Philippines, "the Vietnamese could intervene very quickly in the Philippines. We are separated from them only by a 600 kilometer (400 mile) wide strait.... In other words nothing."

The communist rebellion which began in the Philippines in 1969 now affects 65 out of the country's 76 provinces. The insurgency is a major problem for President Aquino who nevertheless managed to negotiate a 60-day ceasefire last winter between her government and the 25,000 guerrillas of the New People's Army.

Mr Marcos said he did not believe the United States had abandoned him. "I think they (the Americans) are divided.... For the moment those against have the upper-hand. But that could soon change."

He said the U.S. decision to prevent him from returning to Manila was a "violation" of his rights. "I suffer, being here in Hawaii, deprived of freedom to travel," he said, adding that he would like to return home to answer personally the charges laid against him.

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CSO: 4200/538

AQUINO URGES ASEAN UNITY AGAINST PROTECTIONISM

HK280315 Manila Far East Broadcasting Company in English 2300 GMT 27 Apr 87

[Text] President Aquino yesterday [27 April] urged nations of the Association of Southeast Asian Nations to pool their efforts together against trade protectionism. Art Pabellon reports:

[Begin recording] President Corazon Aquino yesterday said that the ASEAN [words indistinct] to help each other in trade and economic cooperation. This was learned from Press Secretary Teodoro Benigno in a press briefing yesterday in Malacanang. The president added that ASEAN would have to band together to confront the protectionist policies of countries outside of ASEAN. The president's views were (?aired) during the visit of the Indonesian Foreign Minister Mokhtar Kusumaatmaja. The (?ambassador) was sent by Indonesian President Suharto as a special envoy to get President Aquino's views in preparation for the ASEAN conference which will be held in Manila in December. The Indonesian leader is the chairman of the ASEAN steering committee.

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CSO: 4200/538

JALANDONI ATTENDS LIBYA CONFERENCE, CITES NDF POLICY

HK271139 Manila THE MANILA CHRONICLE in English 25 Apr 87 pp 1, 6

[By staff member Raissa E. Robles]

[Text] Tripoli, Libya--The National Democratic Front (NDF) will soon adopt a policy of exchanging captured military men for rebel detainees.

This was disclosed yesterday by NDF international representative Luis Jalandoni while attending a conference of revolutionary movements from all parts of the world in the city Misurata, 270 km from Tripoli.

It was the first time the NDF was invited to this yearly conference, Libyan sources explained, because of NDF's anti-U.S. imperialist stand and not for its ideological bent.

On the exchange of prisoners, Jalandoni said that at the moment, the NPA finds it "very difficult" to hold prisoners of war.

"But that may change in the near future. It may be possible to hold prisoners in order to exchange them for captured NPA's," he said.

"And we are moving to that point where we would need to engage in some form of detention," he added.

He stressed, however, that the NPA would not engage in kidnapping.

On NPA liquidations, "those actively involved in counterinsurgency propaganda like U.S. military officials, military men and Secretary Jaime Ferrer would be considered as targets because they constitute direct harm to the people," Jalandoni said.

Asked if President Aquino was also a target, Jalandoni replied: "We don't see her yet as having that kind of direct involvement."

Jalandoni has been explaining across Europe and Africa the NDF's four conditions for resuming talks with the government even without a ceasefire.

First, he said, the government should show the capacity and determination to discipline and reorient the armed forces of the Philippines particularly in discouraging human rights violations.

Second, it should show the capacity and determination to address the basic problems in the country such as land reform and the foreign debt.

Third, the government must be willing to recognize the NDF as a legitimate political entity with a political program and mass support. NDF members are not delinquents who need to be rehabilitated, Jalandoni said, criticizing the government's program of enticing rebels to surrender.

Lastly, the government should be willing to go into a comprehensive political settlement which includes forming a coalition government.

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CSO: 4200/538



IMF APPROVES REQUEST TO DRAW \$75 MILLION

HK241337 Quezon City BUSINESS DAY in English 24 Apr 87 p 2

[By Claro P. Fernandez]

[Text] The International Monetary Fund (IMF) has approved the Philippine's request to draw down more money from the \$238 million stand-by credit facility after a review of the state of the economy was completed by the IMF board last Monday.

A telex sent to Central Bank Governor Jose B. Fernandez Jr last Tuesday, said the country has been allowed to draw down up to 58 million special drawing rights (SDRS) or \$75 million till 15 June 1987 under the stand-by arrangement.

The stand-by arrangement includes drawings to be made by the Philippiens from the IMF's stand-by credit facility amounting to \$238 million and an additional 224 SRDS or \$270 million to be drawn from the compensatory financing facility (CFF).

After the IMF completed the review of the letter of intent sent by Fernandez and Finance Secretary Jaime V. Ongpin to the IMF board last Monday, the previous letter of intent agreed upon last 28 October 1986 has been modified to include the country's "requests."

Likewise, the ceilings on public sector borrowing requirement (PSBR), base money or currency in circulation, international reserves of monetary authorities and non-concessional loans have been adjusted to accommodate the Philippine Government's request.

Government had requested the IMF, through the letter of intent, to increase the PSBR to P6.8 billion from the P5 billion which was earlier agreed upon.

The letter of intend stated that the overall deficit of the group of 14 major non-financial public corporations has been targeted at 1.5 percent of the country's gross national product (GNP) or the total value of the nation's output of goods and services for this year.

Government had asked for an increase in lending to public corporations because the investment inflow to these corporations has been particularly slow to develop.

While government intends to increase lending by P1.8 billion more, government assured the IMF that "specific actions aimed at placing remaining government corporations in the public sector on a more competitive footing" would be taken.

Since 1 January 1987, government has begun to levy an interest charge of 5 percent on outstanding and new net lending by the national government. Government will also implement an order this year to ensure that all government corporations declare dividend equivalent to 5 percent of their net earnings.

Government intends to settle arrears of the National Power Corp (NPC) and the Philippine National Oil Co (PNOC) with other non-financial government corporations and the national government which amounts to an estimated P5.3 billion representing the bulk of the arrears of the 14 monitored public corporations.

On the other hand, government will not restore exemptions that have been earlier withdrawn from the public corporations other than on a specified temporary basis in exceptional cases. Government will extend subsidies for other institutions for a specified interim basis only in "cases where there is a clear justification."

The IMF allowed government to expand the monetary base at 15 percent in line with the indicative target set during the last meeting of the Philippines and the IMF. It has approved government's plan to increase base money or total money in circulation for the first 3 months of the year.

The letter of intent pointed out that the increase in base money during the first 2 months of the year was a result of higher currency-deposit relationships or the extent of money being used by the public during the period.

The IMF has also approved government's request to establish net international reserves (NIR) or foreign currency held by the monetary authorities at a deficit of \$521 million on 30 June 1987 a deficit of \$309 million for the 3d quarter and \$33 million by yearend.

According to government estimates, 1987 NIR show an overall deficit of \$0.4 billion on the basis of scheduled payments and an overall surplus of \$1.2 billion after expected rescheduling.

As for the country's external debt, the Philippines has been allowed to borrow \$1 billion more of non-concessional or negotiated external loans till yearend.

Short term external debt, which amounted to \$7.212 billion as of yearend, will be restricted to \$7.6 billion for the remainder of the standby arrangement period.

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CSO: 4200/538

PHILIPPINES

HUGE NEGATIVE NET BALANCE WITH IMF SEEN UNTIL 1992

HK271439 Manila MANILA BULLETIN in English 27 Apr 87 p 21

[By Juanito Concepcion]

[Text] The country will suffer from a huge \$990 million negative net resource transfer with the international monetary fund over a 6-year period from 1987 to 1992, confidential Central Bank [CB] date as of 30 March this year showed.

This negative net resource transfer means that the amount that needs to be shilled out by the Philippines to pay back its accumulated debt obligations to the fund on an annual basis during the next 6 years would be much greater than the total \$236 million fresh credit that the Philippines will get from the fund in 1987 and 1988.

As of 31 December 1986, the country's total debt obligations to the IMF amounted to \$1,336 billion.

Even if the country is scheduled to receive a total of \$193 million in fresh credits from the IMF under its current standby program, the full amount will be used up just to settle the country's debt obligations to the fund, the CB data showed.

This amount, according to the data, is even insufficient as the country will incur starting this year a negative \$95 million net resource transfer with the IMF.

The [word indistinct] million fresh credit that the country is scheduled to receive from the fund in 1988 will also be wiped out as the country will even end up with a bigger negative net resource transfer of \$101 million.

This net resource transfer has been projected to increase further to \$166 million in 1989, \$283 million in 1990, \$233 million in 1991 and \$112 million in 1992.

The government did not presume to get fresh credits from the IMF in 1989 up to 1992.

Finance Secretary Jaime V. Ongpin said that the government has no plans at present of committing in advance to get another standby arrangement from the fund until the government obtains firmer figures on the country's financial requirements for 1988 and 1989.

The current 18-month standby program of the fund, supported by a standby credit, expires in 1988.

The IMF's standby arrangements are usually supported by credit facilities which are principally designed to address a country's balance of payments [BOP] problems.

The country has continuously availed of standby arrangements of the IMF because of the chronic BOP problems that it has been suffering from.

But the government is contemplating to move away from this scheme after the current standby arrangement expires next year if this will be warranted by developments such as improvement in the country's BOP position that will not require fresh funding support from the IMF in the next few years.

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CSO: 4200/538

VERITAS ASKS AQUINO TO SHOW MORE LEADERSHIP

Quezon City VERITAS in English 23-29 Apr 87 p 4

[Editorial: "Can the Symbol Rule?"]

[Text] The Christian world has just observed the seasons of Lent and Easter, the liturgical cycle recalling the profound and central mystery of the Christian Faith, the death and resurrection of Jesus Christ. For many Filipinos it has been, once again, a time of penitence and prayer. For some, these spiritual exercises raised many thoughtful questions about the historical passage in which the nation finds itself.

The religious celebrations in this country occasion rituals that bind families and friends. These Easter gatherings voice the collective bewilderment about our fate and our future as a people. It is a mood of perplexity and doubt. Where are we going? Where are we headed?

It seems ironic that people should now be struck with this sense of drift. Had we not witnessed the ascendancy of a president of our choice as a virtual "miracle" of prayer and faith? Have we not heard it repeated with the unshaken fervor of the believer that she is the anointed one?

Surely we have seen the prayerfulness of the president, her devotion and piety. In the context of the Christian perspective, we should be sustained by the certainty and conviction that such a president leads with wisdom and fortitude.

Why then this feeling of emptiness and frustration? Are we so lacking in faith that we should detect and be disturbed by the lack of direction at the seat of powers; that we should question whether our leader possesses the qualities required to solve our problems and resolve the conflicts that continue to tear us apart?

A review of her first year in office calls attention to the achievement of restoring democracy. A free and fair campaign leads to the first election of the legislature after the dictatorship. This, followed by the election of local and barangay officials, will complete the task of democratic reconstruction that she promised.

But there is a growing perception that democracy is being restored on the level of mere procedure. The process has yet to be undertaken with genuine commitment.

The Aquino government has been richly projected with symbol and rhetoric. But it is a government that has yet to translate these into initiatives of substantive reform.

Let us recall that the struggle to overthrow the Marcos regime was in many ways perceived as a symbolic battle between the forces of good and evil. The triumph of Corazon C. Aquino over Ferdinand E. Marcos was interpreted in this light and for awhile it made excellent politics. The question that now begs to be answered: Can the symbol rule? Does the symbol have any real meaning outside the political morality play?

Perhaps, mere mortals that we are, we are in need of some clearer signs and signals of the intentions of leadership. Is it too much to ask that there be a more definite communication of the vision of this government, of its agenda for the nation and the means it will employ to achieve these ends?

Right now, the people cannot but wonder--Will the president lead or will she be content to be led by Congress? If she now asks us to fill the legislature with her hand-picked candidates, we should also ask why some of the hand-picked candidates are so lacking in those qualities required by genuine reform in government? What assurance do we have now that she will wield the necessary power to force her choices into a team that will work together to legislate for development?

The record so far does not elicit much confidence. In her term of office, the presidential style has been shown as too timid and restrained even for the minimal discipline required for the Cabinet to be truly effective.

These are tough and hard questions about Corazon Aquino's leadership. But we would be failing our tasks in VERITAS if we did not ask these troublesome questions now.

Our faith teaches us that prayer need not be passive. There is prayer in action. And sometimes that action needs to be prodded.

Perhaps, that is something we all need to be reminded about. The miracle on EDSA was not wrought by a passive faith, but an active and involved belief in each and everyone of us doing our part.

That goes for the people. And for the President too.

/13104

CSO: 4200/543

COLUMNIST ON PROBLEMS IN LAND REFORM FUNDING

Quezon City VERITAS in English 9-15 Apr 87 p 7

[Commentary by Mario P. Chanco in "It Was Like This" column: "No Money for Land Reform?"]

[Text] An interview published early this week with Finance Minister Jaime Ongpin quotes him as saying there is no money for the new land reform program in the budget. In fact, World Bank loan negotiations seeking the release of \$500 million (P20 billion in inflated Philippines pesos) for an accelerated agrarian reform program cannot be started till about May. That means, observers of the World Bank scene declare, at least a year more, before the application leaves the pipeline. And since the World Bank is likely to ask for counterpart funding from the Philippine government, this again could take more time.

For the initiated who understand how slowly the wheels of the bureaucracy turn, the news cited is bound to have little effect.

But for the millions of small farmers who are still outside the agrarian reform orbit, or who may have received certificates of land ownership for properties they cannot yet develop, news of the delay is likely to have a crushing effect.

The impact is likely to be particularly heavy upon the families of the 18 farmers who died in the Mendiola Bridge incident. But even those not involved at Mendiola will have their misgivings.

Why must the government, they argue, have to use borrowed money to finance a land reform program? Why cannot the political and moral will be summoned to appropriate the money out the current budget?

Certainly, the argument runs, the present budget has its listings of projects deemed vital, irreplaceable and non-postponable.

But is not land reform itself the very essence of the reforms which the people were promised after the new government came into power?

Can payments for the arrearages of crony loans borrowed by the fat cats of the previous administration be more important than an expanded land reform program---one which, having been emplaced with infinite care and attention, can quickly wipe away the decades of hate and turmoil, want and deprivation and have beset the citizenry?

There are no ready answers to these beliefs.

The one thing that the agrarian reform experts say, with even stronger force today, is that it would be sheer madness to even think of reforming lands other than rice and corn when this initial portion of the program is still a hundred years behind.

To suddenly turn over new sugar, coconut or idle lands for farmers who will not be given the resources and the training to make good use of these resources would be to court disaster, says the spokesman of a large national farmers' organization.

Either we give the farmers all the tools, implements and resources they need or else we should stop dead in our tracks, and try to figure out what can be done about the plight of the present beneficiaries.

Singled out for special mention by Ongpin in his gloomy forecast of agrarian reform action was the "slow-paced manner" displayed by a special Cabinet Committee charged with hammering together the new agrarian reform approach. He warned that if this slow pace continues, President Cory Aquino may be compelled to issue a Presidential decree to save the program from "extinction."

Such a decree, experts say, may indeed save the day for the agrarian reform program.

But regardless of its composition, the decree is not likely to have much enduring effect at easing the explosive situation in the countryside unless two factors are present.

One of them is money needed to carry out the program.

The other is the presence of men and women able to cut through the red tape and bureaucracy fast enough for the landless and fundless small peasants to know the difference.

The money is hard enough to come by.

But it is not really impossible to tap other sources of funds. What could stop the program dead in its tracks is if inefficient and corrupt officials are named to handle the implementation of the new agrarian scheme.

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CSO: 4200/543



NDF STATEMENT ON 'MENDIOLA MASSACRE'

(Clandestine) LIBERATION in English (Special Release no 2) 23 Jan 87

[Official international publication of National Democratic Front of the Philippines]

[Text]

The National Democratic Front strongly condemns the attack against peasant marchers and their supporters on January 22 in Manila, causing the death of 25 people and the wounding of scores of others.

The Mendiola massacre raises serious questions as to the Aquino government's ability and sincerity to address basic people's demands and to protect the right to raise such demands.

This violent dispersal of a legitimate people's assembly is but a highlight in a growing trend of employing the same suppressive acts against the people, used by the now-toppled Marcos dictatorship.

Preceding Jan. 22 are the numerous cases of gross violations of human rights, documented by various organizations in the Philippines. Between February and September 1986, 36 incidents of the military's ruthless attack on the people were reported, claiming 138 lives and wounding 45 others. Salvagings (summary execution), arrests, torture, disappearances, and forced evacuations of whole communities have continued unabated.

As in the Jan. 22 massacre, these attacks were directed against the people demanding fundamental social changes. Majority of the cases involved lives of peasants whose main demand is genuine land reform.

A pattern is recurring: violent suppression of the people is the recourse of a government unable or unwilling to address the demand for basic changes in society.

The Cory Aquino government must take the full responsibility for the Jan. 22 massacre. Three facts stand out: 1) President Aquino's refusal to dialogue with the peasants when they marched and tried to reach her on October 21, 1986; 2) cordoning off of the presidential palace, blocking the

marchers from even reaching the gates of the sprawling compound, and 3) Mrs. Aquino is supposed to be the commander-in-chief of the Philippine armed forces.

The first indicates the government's attitude towards a basic people's issue. The second illustrates a significant constriction of the so-called democratic space and the Aquino government's growing hostility towards the people's movement -- the very movement upon whose back she rode to the palace. The third places squarely on her lap the command responsibility for the Philippine military's violent acts against the people.

/13104

CSO: 4200/541

ANTICOMMUNIST MOVEMENT, REACTION IN CEBU REPORTED

Quezon City VERITAS in English 9-15 Apr 87 pp 15-17

[Article by Reina Marie Casenas]

[Text]

W E are many, they are few. There can't be more than 200 of them. But there are thousands of us. And we will just have to fight them... with stones if necessary."

He is a 44-year old farmer from barrio Lamisa of the mountain town of Balamban, some 70 kilometers west of Cebu City. He was inducted into a farmers' organization affiliated with the Bagong Alyansang Makabayan (Bayan) in 1984. Later, he would be responsible for verifying and recording the amount of money and goods collected from the "masa" in his area.

In October 1986, he and 97 others went down to the *poblacion* to surrender. They could no longer understand they said, why their duties had come to include stealing farm produce. When they went back to their homes, they were no longer safe.

In a neighboring barangay, an ex-rebel (captured and later granted amnesty) had come home years before to a job as head of security in a mining company. He had turned state witness against his companions. Because he was no longer safe, he had started to organize, redirect the "masa" to neutralize his environment. He coordinated with a military

detachment deployed in the area by the 347th PC Coy. And the word had spread.

The 98 farmers who had decided "*nga mo-alsa na kami batok sa Komunismo*" (to rise against Communism) approached the former rebel for advice on how to protect themselves. And an "Alsa Masa" organization, one of several heretofore, secret groups which have surfaced since the end of the GRP-NDF ceasefire last February was born.

In an interview with *Veritas* last week, members of the Bagong Alyansa Supak sa Komunismo (BAS-KOM) claimed that they had already "retrieved for democracy" three Balamban barangays which had once formed a solid mass base, they said, for the Communist insurgents. Just a few days before, they had captured a wounded NPA rebel who had entered BASKOM 'territory' while fleeing from an encounter with the military in a neighboring barangay.

They had come down, they said, to clarify misconceptions published in the papers about their group, which till then had moved in secret. They claimed they have no guns. But they willingly act as guides in military operations. They have never forced anyone to join them, nor do they collect regular 'fees' from the members, they said.

Leaders of two anti-communist umbrella organizations based in Cebu said they hadn't known that BASKOM even existed. But it was these organizations that BASKOM approached for assistance in its "public relations" problem.

**A**NTI-communist sentiment has always run high in Cebu, wherein a lack of large tracts of arable land has encouraged entrepreneurship, commerce and industry. But the high profile maintained by National Democratic Front (NDF) representatives during the ceasefire seems to have fanned anti-Red feelings to a point where many even welcome the rise of armed vigilante groups that have since vowed to fight the New People's Army (NPA) in Cebu. (See sidebar).

In mid-86 intelligence reports released to news media showed that the CPP's Mindanao Commission (COMMID) had decided to expand its operations to Cebu island. Sources in the underground scored these reports saying that the CPP-NPA would never opt to target Cebu because, tactically speaking, the island was indefensible. But newspaper reports slowly showed a sharp rise in the incidence of liquidation of constabulary and police personnel (by official accounts, some 40 of them in a period of less than two months) and of Kilusang Mayo Uno (KMU)-inspired industrial unrest (some 20 firms were crippled by strikes during the same period).

The labor crisis spawned an informal alliance between key businessmen including officers of the Cebu Chamber of Commerce and Industry and civic groups on one hand, and KMU's rival for the workers' 'hearts and minds,' on the other: the Associated Labor Unions-Trade Union Congress of the Philippines (ALU-TUCP), which is headquartered in Cebu.

In retrospect, public outrage and alarm over the rash of killings for

which the NPA claimed responsibility seem to have made the ground easy for the use of so-called Red scare tactics either to raise political capital or to protect private or "class" interest.

In October 1986, this interest group launched an anti-communist campaign in a massive rally at Fuente Osmeña with then Defense Minister Juan Ponce Enrile, who was crisscrossing the countryside at the time to pressure the Aquino government into adopting, among other things, a harder line against the insurgents.

Despite charges of political gimmickry and loyalty to Marcos by critics, notably top officials of the local government like Cebu City officer in charge (OIC) John Osmeña, local governments official Nenita Daluz and various provincial officials, the group emerged last January among the council of leaders of a formal organization with membership expanded to other sectors of society.

The People's Alliance against Communism (PAAC) professes to have 11 sectoral organizations under its umbrella. A glance at its organizational chart shows a deliberate strategy to set up a shadow structure to block the activities of the NDF's member organizations in labor, agriculture, education, youth and other sectors. There are now 12 chapters in the Visayas: four in Cebu; three in Negros; two in Leyte; one each in Samar, Panay and Bohol.

Dotted lines connect the PAAC's executive committee to the regional unified command (RUC) and the PC regional command. Although the chart doesn't show it, and PAAC denies it, it is believed that 'dotted lines' also connect PAAC to the armed vigilante groups in the mountain areas.

The PAAC council of leaders counts among its members Msgr. Manuel Salvador, co-adjutor bishop of Cebu. It is known that some parish priests have endorsed the formation of PAAC chapters in their towns.

Some observers have noted wryly that PAAC this early in the day is more a multi-sectoral group than an umbrella organization. Still, there is a firm determination to approximate the role of a nationwide 'democratic front,' or as the political arm, as it were, of an anti-communist movement in the Philippines. PAAC officers reveal that already they are organizing chapters in Cagayan de Oro and Davao cities.

PAAC Council chairman Cerge Remonde, a key aide of ALU-TUCP president Democrito Mendoza and chief anchorman of ALU's radio station DYLA, says in a *Veritas* interview: "Government is not an immovable object.

"In the past, the only ones applying pressure politics were the cause-oriented groups," Remonde adds. "PAAC's objective is to tap the so-called silent majority in lobbying for decisive action by the government against the insurgency. By making our presence felt, we hope at the very least to help government remain steadfast. . . and not waver so much under pressure from just one direction."

Remonde, whose daily radio programs Labor Patrol and Labor Power reach a wide audience in the Visayas and Mindanao, is "credited" by his critics with stirring anti-Red hysteria in the South. His programs bring into the farmer's nipa hut a lively discussion replete with personal testimonies from callers and resource speakers, of the "evils of Communism" and ways to defeat Communism. He also hints that KMU-affiliated labor unions in big Cebu-based companies have made Cebu one of the major 'financial centers' of the Communist movement.

Such singlemindedness on the part of Remonde drove a foreign consulate officer to wonder privately if it was "wiser for (Remonde) to diversify" the concerns of his radio programs. Last December, Remonde was fired from a concurrent position he

held in a German communications-oriented foundation project at the DYLA building. Frederick Ebert Stiftung Foundation reportedly succumbed to pressure in Europe about the alleged use by Remonde of foundation facilities to "interfere in local politics."

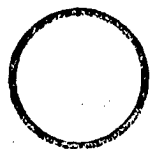
But Remonde, who receives emotional avowals of support from his listeners, says he "can't betray his public."

Remonde's "public," the resources of Cebu's big business, and Remonde's close ties with PC Central Visayas Chief Brig. Gen. Edgardo Abenina present a formidable pool of anti-Communist forces that have enabled the PAAC to gain, in a matter of months, recognition from both local military and government officials as the representative of the private sector in a newly launched "integrated approach" to the insurgency problem.

PAAC's 'pressure politics' has been too successful for comfort, say some observers. It has encouraged a polarization both of urban and, more notably, rural society. It has helped radicalize opinion among the so-called middle forces, making it easy for armed vigilante groups to operate in the mountain areas without too much public censure.

These groups, adopting NPA tactics, demand that villagers choose sides: if you're not with us, then you're against us. Mass evacuations now include those of "Alsa Masa" families fleeing NPA reprisal. And PAAC promptly calls on the public for food, medicine and money for relief operations.

More significantly, it was PAAC which drummed up the public support needed by General Abenina in a protracted power struggle with the provincial government, which Abenina has accused of coddling Communists. Local officials led by Cebu OIC Osmundo Rama have lost much face in past months in their campaign, first to prevent Abenina's promotion to brigadier general and, failing this, to oust him from the region.



ON March 27, after months of bitter policy disagreements with the local military command, the Cebu provincial government made a complete turnaround from a long-standing position for the disbandment of the citizens home defense force (CHDF).

The local officials went even further. In a "reconciliation" meeting they called with the local military top brass, Osmundo Rama, his provincial board and town mayors agreed to set up a mechanism for the recruitment and training of even more CHDF troops to be deployed in "sensitive" towns like Tuburan, Tabuelan, Balamban and Asturias.

The Capitol said it would require all municipal mayors to set up their own anti-communist organizations in their respective towns. Town mayors, with the help of parish priests, would help screen and monitor the possible integration of armed vigilante groups into the CHDF, so long as these remained under strict government and military control.

However, it was not yet a week since various ranking Capitol officials denounced Abenina for openly sponsoring, and even arming Cebu's version of the "Alsa Masa."

Even PAAC was stunned. News editorials noted that the Capitol clearly could no longer ignore anti-communist sentiment in Cebu without jeopardizing administration chances in the coming elections. That it was a political decision, although signals from the national government favor the use of the NAKA-SAKA model in Davao in the rest of the country, is clear. Rama said after the meeting: better the mayors set up their own anti-Red groups than for these (other) groups to go in and out of their towns without so much as a by-your-leave.

In a *Veritas* interview, Rama said the Capitol became alarmed when it discovered that the villagers were allegedly being told by anti-communist groups to "vote with one voice" in the elections.

Sure enough, in a rally designed to stop traffic in downtown Cebu last March 28, former rebel leader Pastor

Alcover Jr. — president of the National Movement for Freedom and Justice (NMFJ), an anti-communist umbrella group controlled by former rebels in the Visayas declared that while they would not campaign for any candidate in coming elections, they would "expose" the Communists or Communist supporters among those running for public office.

After attacking, one by one, Partido ng Bayan (PnB) candidates for Congress, Alcover questioned the leanings of such administration candidates as Osmeña, Sanchez, Pimentel, and Daluz (for Congress-Cebu). He also attacked Rama, acting Vice Gov. Democrito Barcenas and many others, all of whom plan to run in elections.

Days later, Daluz who, in the words of Abenina, "runs to evacuation centers to cry her eyes out (about military brutality)," announced that she saw nothing wrong in the Capitol's decision to keep the CHDF intact for anti-insurgency operations as long as these were properly trained and controlled by their military commanders. Former political detainee, Ribomapil Holganza, PDP-Laban congressional candidate accused by Alcover of being an NPA supporter, echoed the same sentiments in a separate statement the same day.

Over the months, local officials have commented on the political motivation behind similar attacks staged almost daily against them. Government sources have privately linked General Abenina with Enrile, some anti-communist personalities with ex-Rep. Ramon Durano Sr. and, in one case, even with former President Marcos.

Still, in succumbing to "pressure politics," the administration's local politicians have merely confirmed, once and for all, the influence now wielded by the anti-communist groups over public opinion.

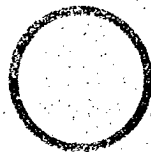
And the question now being asked even by non-politicians is: Do these groups, which have patterned their structures and modus operandi to those of an insurgent movement, have an agenda beyond the war it has declared against Communism? ▲

CEBU ANTICOMMUNIST GROUPS PROFILES

Quezon City VERITAS in English 9-15 Apr 87 pp 16, 17

[Article by Reina Marie Casenas]

[Text]



On February 7, the day the GRP-NDF ceasefire officially ended, a shadowy band of armed men called a press conference in an undisclosed mountain barangay in Cebu City and presented themselves as the Citizens Anti-Communist Army (CACA).

Calling themselves an underground anti-communist movement the group posed for photographers and displayed assorted firearms including armalites, carbines and garands. CACA members claim they bought these guns with money from the sale of farm produce or livestock. It seems unlikely, however, that these men are farmers.

Since then, a series of widely publicized mass evacuations from mountain barangays in central Cebu have produced stories about harassment and intimidation of barrio folk by unidentified armed men who reportedly give angry lectures against Communist ideology.

News about this vigilante group now run side by side with almost daily reports of mysterious killings of law enforcers, farmers and others who have remained unidentified. It is widely known, however, that the New People's Army (NPA) in

Cebu launched reprisals against law enforcers and alleged informers to avenge the deaths of three of their members who had surfaced during the ceasefire.

CACA members told *Veritas*, however, that they would retaliate in "eye-for-an-eye" fashion. A CACA leader adds: "If we lose any of our members to the NPA, we won't even bother to look for them in the mountains. We will strike at the leaders of their front organizations right here in the city."

Jovito Plaza, 24, NPA representative to the provincial ceasefire committee last December-February, was shot in the head while he was asleep, just three days after the ceasefire ended. Rustico Tan, National Democratic Front (NDF)-Cebu spokesman, has said that he holds the CACA responsible for Plaza's death.

In an interview with *Veritas*, CACA's media liaison officer, who asked to remain anonymous, claimed that by middle of March, CACA had liquidated more than 80 NPA regulars and supporters. They had also confiscated several firearms which they have kept for themselves, he said.

The CACA source also revealed that two CACA units would soon surface to combat the NPA's operations: the Urban Warriors Against

Communism (UWAC) patterned after the Sparrow Unit; and the Volunteer Anti-Communist Army (VACA) as a shadow force aimed at the NPA's armed city partisans (ACPs).

**T**HERE has not been much opposition to the existence of CACA from the citizenry, save for indignant press releases from some cause-oriented groups, notably the Bagong Alyansang Makabayan (BAYAN).

But Winston Garcia, provincial board member, protests and says: "If we tolerate these armed vigilantes, we invite anarchy . . . if you give an ignorant man a gun, he turns into a beast."

Dramatic language is not confined to CACA's critics. Commander Greco, who claims to lead the CACA's southern sector command, invokes the right of every citizen to defend himself from the NPA "who, as we all know, are after your money, your food, and even your life."

PC Central Visayas Chief Brig. Gen. Edgardo Abenina, who believes that anti-communist vigilante groups should not be disbanded, agrees. "If I were to disarm them, granting that they are willing to be disarmed, then I would be a murderer. I would be giving the NPA all the chances to kill these people mercilessly like animals."

In an interview with *Veritas*, Abenina states: "It is but natural for a man to arm himself when he faces an unequal force. How can you expect an unarmed man to fight a man with a firearm. While it is true that the firearm is illegally possessed, but so long as the firearm is not used illegally, then I am willing to allow it. So long as the person does not display it in public flagrantly, or use it for terrorism, or to commit a crime, or to violate the law, then I will allow him to keep it."

Abenina denies charges aired by certain local officials that he himself has provided arms to CACA and other vigilante groups. He reveals that there are "many sources of firearms other than legal, other than government" and cited local gun factories as a major source. It is rumored, however, that the military has allowed a 'finders-keepers' policy on firearms recovered from the NPA by vigilante groups.

Some observers speculate that the CACA seems designed as a red herring to blur the human rights issue. Greco says, a trifle smugly: "The soldier, you see, is hampered by all these human rights investigations that are called the minute he conducts military operations." He implied that the CACA, which has no such worry, is more effective in fighting the NPA. "After all," he adds, "does the NPA ever get investigated for human rights violations?"

CACA's "legal" alter-ego appears to be Kalihukan Para sa Demokratikong Reforma (KADRE), or Movement for Democratic Reform. KADRE has challenged its critics among the town mayors to disarm its members. "None of our firearms is illegal," a KADRE leader said in a recent rally. This firms up suspicions that KADRE is controlled by civilian home defense force (CHDF) troops deployed in NPA-influenced areas.

Various editorials and news columns have pointed out that the rise of CACA and KADRE merely highlights the citizens' lack of faith in the ability of the armed forces to protect them against the insurgents. Commander Greco says: "Without us, *wa'y mahitabo nila* (the military can't make things happen). We're the ones who know what happens in our barangays. We're the ones who know who the strangers are, who the NPA supporters are."

The heated public debates between Abenina and some provin-



cial officials over the vigilante groups have obviously taken into consideration developments elsewhere in the country. There is the endorsement by Local Governments Secretary Jaime Ferrer of the NAKASAKA model in Davao as an anti-Communist program to be implemented by local officials in similarly affected areas in the country. And there are the reports of alleged abuses committed by armed vigilante groups forming the Alsa Masa in Davao.

In consequence, the officials now talk in terms of "lesser evils." Abenina asks rhetorically: "Between the two evils, the NPA evil and the probable evil that might arise from this (vigilante groups), which do you think I'd choose?"

On the other hand, CACA's publicized activities have goaded local officials into endorsing, as a lesser evil, the deployment of more military detachments to stricken areas. Cebu officer-in-charge (OIC) Os-mundo Rama, whose government

has consistently opposed militarization of the countryside, told *Veritas*: "We prefer that regular members of the armed forces provide the protection that the people need, not these vigilante groups."

Curiously enough, the CACA was recently accused by some provincial and municipal officials of terrorizing some barangays in the mountain town of Balamban. Carlito Sandag, a former rebel leader who had secretly organized the Bagong Alyansa Supak sa Komunismo (BASKOM) in Balamban, came down to deny that his group was the CACA or that they were terrorizing the villagers.

Sandag, adding to the confusion, told *Veritas* that he had never heard of CACA and that there was no group by that name operating in his area.

Perhaps, Regional Unified Command (RUC) 7 Chief Brig. Gen. Romulo Querubin had a point when he dismissed news reports about the CACA as mere "psywar."

/13104

CSO: 4200/543

MNLF, NDF HOLD 'INFORMAL TIE-UP' MEETING 27 APR

HK011045 Manila THE MANILA CHRONICLE in English 30 Apr 87 pp 1, 5

[Text] Lanao del Norte--Provincial leaders of the Moro and leftist rebel movements in Mindanao have established an "informal" tie-up for joint efforts to attain "an honorable and lasting peace."

In a meeting 27 April, the regional leaders of the National Democratic Front (NDF) and the Ranao Norte State Revolutionary Committee (RNSRC) of the Moro National Liberation Front (MNLF), agreed to work together for greater unity between Muslims and Christians in their areas of operating to oppose the "divide and rule" policy of the government.

Representing the left were Ike de Los Reyes of the NDF and Jogan Montes of the New People's Army (NPA). The MNLF was represented by RNSRC Chairman Kumander [Commander] Solitario and Bangsa Moro [More Homeland] Chieftain Kumander Dante of Zone III RMSRC.

The meeting was also attended by Catholic clerics led by Bishop Fernando Capalla of Iligan, and Muslim Ustadzes. While the Muslim religious leaders represented themselves as part of the MNLF, Capalla clarified his role as being that of "facilitator and mediator for peace." He is the government's designated negotiator with the NDF for Region 1] (Central Mindanao).

Capalla is expected to brief the media on the NDF-MNLF meeting today in Iligan City.

In the meeting, the MNLF and the NDF said they would take joint military action against the government if it continues with its "militarist" posture against the rebel groups.

"This is just an informal tie-up," said Kumander Solitario of the day-long affair, which was also highlighted by joint troops formation, workshops and a press conference.

A platoon each from the NPA and the BMA [Bangsa Moro Army] were assigned to the workshop which aimed to look into the problems of Muslims and Filipinos.

"The NDF and the MNLF operate in one contiguous territory and have virtually common means of achieving their goals," Solitario said. The two groups "are one in the belief that their different religious and ideological beliefs are not hindrances to unity," he added.

/12232

CSO: 4200/538

GOVERNMENT, CHURCH, REBEL OFFICIALS HOLD RALLY

OWO11315 Tokyo KYODO in English 1256 GMT 1 May 87

[Text] Manila, 1 May KYODO--Local government, military, and church officials were joined by communist-led rebels and Moslem separatists in an unprecedented peace rally held Friday in a southern Philippines city, according to the government's Philippine News Agency (PNA).

The 3-hour rally in Iligan City, 768 kilometers south of Manila in the province of Lanao del Norte, was organized by the Catholic Church, the local chapter of the underground leftwing coalition National Democratic Front (NDF), and the Moro National Liberation Front (MNLF).

No arms were allowed and no placards or streamers were displayed during the multi-sectoral rally which Catholic Bishop Fernando Catalla of Iligan said "seeks to heighten the people's desire for peace."

In his speech during the rally, Bishop Catalla said the joint activity "set in motion the process of sectoral consultations on the twin issues of insurgency and autonomy in Mindanao."

MNLF Lanao del Norte Commander Solitario denied a reported alliance between the MNLF and the NPA in the province. But he added "such a plan is not remote but it has to be taken up by our top leaders."

NDF representative Ike de los Reyes, of the Northwestern Mindanao Party Revolutionary Committee, said that "if there would be unity between the MNLF and the NDF, it would be decided by the NDF national leadership."

The rally was also attended by Colonel Raul Aquino, army commander for Iligan City, and city Major Allan Flores. A representative from another Moslem faction, the Moro Islamic Liberation Front, was also present but refused to give his name.

/12232

CSO: 4200/538

200 SOLDIERS SAID TO DESERT CAMP IN PROTEST

HK271423 Manila THE MANILA CHRONICLE in English 25 Apr 87 pp 1, 6

[By staff member Manny Mogato]

[Excerpts] Some 200 Constabulary soldiers, led by a junior officer, were reported to have deserted their military camp in Albay, Bicol, Tuesday night to protest the alleged corrupt practices of their commander.

In Legazpi City, Albay, a company of PC [Philippine Constabulary] soldiers of the regional special action force battalion (RSAF) deserted Camp Ibalon to protest the alleged corruption of their battalion commander, Major Vicente Neptuno.

Major General Eduardo Ermita, armed forces deputy chief of staff, told reporters the high command had not received any such report. But Brigadier General Dionisio Tan-gatue, PC civil-relations operations chief, confirmed the incident.

Tan-Gatue, however, would not elaborate, saying he had not yet received any formal report on the incident.

Meanwhile, Colonel Biony Ventura, Bicol PC-INP [Philippine Constabulary-Integrated National Police] chief of staff denied the report.

He said it was just a misunderstanding when the soldiers moved out for operations "very well ahead of time."

Ventura, however, admitted that the troop movement was unauthorized because his command was not aware of it.

Lieutenant General Salvador Mison, armed forces vice chief of staff, also denied reports of mutiny in Bicol region. He said the soldiers of the first special action company were on training at Villa Hermosa Camp in Daraga, Albay

Camp Crame sources said the rebellious soldiers, led by First Special Action Company commander, Lieutenant Victor Deona rode in two armored vehicles and 6-by-6 truck to join the Second Special Action Company in Villa Hermosa, Daraga, Albay.

The sources said the soldiers were still holding out at the Villa Hermosa outpost as of Thursday night.

They refused to return to their camp and had rejected a PC officer, Bicol Provost Marshall Major Edgardo Toco, as the officer who had been assigned to investigate their complaints, the sources said.

Toco "is not fit to conduct the investigation," the sources quoted one rebellious soldier as saying.

The soldiers claimed that Neptuno had withheld some of their benefits and allowances and sold bonnets to them at a high price.

They also accused Neptuno of using military fuel for his personal use.

Another report, however, said the soldiers were back in Camp Ibalon. Bicol PC-INP chief, Brigadier General Eduardo Taduran, said the soldiers returned after he relieved Neptuno.

Taduran said he also relieved Deona and asked him to explain his action.

Meanwhile, CHRONICLE correspondent Rodolfo Lusterio reported that Colonel Nelson Eleaza of Camp Nakar in Lucena City confirmed that a company of PC soldiers had indeed abandoned their post in Albay.

Lusterio also reported that Colonel Romulo Yap, the intelligence officer of the southern Luzon Military Command (Soluzcom), had left for Bicol to negotiate with the deserters.

Meanwhile, several military officers in Camp Aquinaldo said the Bicol incident only showed that many soldiers were becoming restive because of the demoralization in the military's rank and file.

The officer criticized the high command for the demotions and promotions of some junior officers.

In a statement, Ramos said he had ordered Pizana to prepare a list of percentage allocation of ranks in the various grades in the officer corps.

He also said he was willing to meet with the officers, particularly those who had been demoted.

The military had recently reverted to their previous ranks 183 of 408 officers who were holding temporary ranks from majors to full colonels.

The military also added a new list of 173 officers for temporary promotions.

Many officers, however, interpreted the action as a demotion rather than a reversion to their previous rank. They charged that the military was still elitist.

They also claimed that "favoritism, fraternization and political affiliation" still influenced promotions.

EDITORIAL CRITICIZES 'PHONEY WAR' IN BULACAN

HK241323 Manila THE MANILA CHRONICLE in English 24 Apr 87 p 9

[Editorial: "The Casualties of the Phoney War at San Ildefonso"]

[Text] A sort of phoney war is taking place in San Ildefonso, Bulacan, just an earshot from Metro Manila. According to the armed forces headquarters in Camp Aguinaldo, the "battle" has been raging since last Easter Sunday, in which at least 33 people had been killed, and 15 others wounded in two big encounters. The AFP [Armed Forces of the Philippines] claims that 15 communist guerrillas were killed in one of the biggest pushes against the New People's Army following the collapse of the ceasefire.

The AFP further claimed that the government troops, in their search and destroy operations (shades of Vietnam), had overrun rebel camps, and about 300 guerrillas trapped in San Ildefonso were on the run.

These claims are contradicted by the fact that there is not evidence of the casualties, although press communiques at general headquarters have alleged "body counts" (again a favorite term with origins from the Vietnam era). Where, then, are the bodies? Reporters were shown huts claimed to have been abandoned by the guerrillas, but they were not permitted to go nearer the "front" which was said to be about 20 kilometers away from the area the journalists observed.

Journalists rushing to the scene of the fighting saw no sign of a battle. Residents close to the area saw or heard nothing resembling a fire-fight, giving rise to speculations that possibly both the troops and the rebels had muzzled their rifles with high-tech silencers.

Skepticism about the alleged "war" has been further raised by statements by the defense secretary, Rafael Ileto, who cut down claims of military victories. He told reporters that there was no sustained fighting in the Bulacan area, although he insisted that there was continuing military operations. He said the military had no "head count" of rebel casualties and that it "does not know exactly whether the rebels are holed up in the mountain areas" of Bulacan.

Now, Mr Ileto is a man who is not given to exaggeration. Just 3 weeks ago, he described as a "good and productive exercise" what was touted by the AFP spokesman as a big sweep against a major guerrilla base in the Kalinga-Apayao region in Northern Luzon. In that sweep, the rebels were reported to have eluded the troops.

The Bulcan "battle" is suspicious because it was heralded at a time when a mutiny broke out at the army headquarters in Fort Bonifacio. The Bulacan fighting certainly drew attention away from the mutiny, which dramatized an episode in the breakdown of the chain of command in the AFP, as well as in its discipline.

We have no quarrel with the AFP when it pushes its counterinsurgency campaign in the belief that it is a job to be done. But we wish to point out that fabricating a "phoney" war in which words rather than guns are dueling has its own casualties.

The first casualty is the credibility of the military. The second casualty is that claims of victories in which there is no visible evidence to back them up produce contradictory statements within the defense establishment itself. This suggests that before the AFP could successfully crush the insurgents, there is the problem that the security authorities first get their act together.

The media have too often been blamed for allegedly pushing contradictory and confusing reports. But these reports come from defense authorities. The easiest wars to win are those that are never fought. The most important casualties in this kind of war are not men, simply because combatants never come in contact. The casualties are the truth and the confidence of the people in their Armed Forces. The military doctrine has still to be written that wars can be won without having a single encounter by warm bodies. Maybe that is possible in a high-tech war where all the combatants do is push buttons. But that belongs to the realm of "Star Wars." We are not even at its threshold.

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CSO: 4200/538



BULACAN NPA COMMANDER DENIES REPORT OF HIS DEATH

HK011457 Manila PHILIPPINE DAILY INQUIRER In English 30 Apr 87 pp 1, 10

[By Maria Ceres P. Doyo]

[Text] Sierra Madre, Bulacan--Ka [Comrade] Remcy, Bulacan commander of the New People's Army, is alive and raring for more action.

A smiling Ka Remcy (fighting name of Ernesto Bargola) met us for an interview 2 days ago to denounce as a 'fake victory' the recent military dragnet in the foothills of Bundok Bandera and Gulong in Remedios Trinidad Town.

"It was a military more-more (charade)," said the tall rebel leader recalling the massive military operation in his province wherein he was supposed to have been killed together with at least 10 others.

"It would be embarrassing for the military if they did not say they won, because they were many fighting against a small bank of NPAs," the 32-year-old NPA commander said in an interview.

We talked to him in the shade of bomboos in a sleepy village in the foothills of Sierra Madre. A dozen heavily armed men stood guard.

Our rendezvous was about a day's hike away from the scene of last week's fighting, but just a kilometer away from a military detachment.

Ka Remcy said they numbered only 23 (1 unit) as against the 1,000 or so soldiers thrown against them backed by 5 Sikorsky gunships, Tora-Tora planes and rockets.

He claimed that the military even used chemicals, spraying a river with a poisonous black powder.

While 18 soldiers were killed, he added, the NPA lost only 1 member name Ka Bernard.

The newspapers (not the INQUIRER) published last week pictures of a man, who the military identified as Ka Remcy, reportedly one of the rebels killed by the troopers.

"I've been killed several times in the newspaper," the son of a leather factory worker said amusedly.

The articulate Bulakeno who finished only elementary schooling spoke in classic Tagalog. The 6'-2", 180-lb Ka Remcy wore a checkered shirt.

"The fighting lasted for only 1 day," he said, "but the military prolonged their offensive to a week to impress Americans into giving them more military aid."

He said that as the soldiers moved to encircle them, the first group of rebels slipped out of the cordon at about noon, and the rest at night on 19 April.

He claimed that the operation displaced barrio folk. A certain Ka Bren, he said, was arrested and forced to admit he was a member of an NPA kangaroo court. Some civilians were tortured, he added.

Recalling the fight, Ka Remcy said that their group was in the area for a routine meeting when the military got a tip on their presence.

He said the place discovered by the military was not a training camp. The documents found, he added, were just notebooks and records of expenses and not a liquidation list.

The huts shown in the newspapers and which were burned by the soldiers were owned by charcoal makers and rattan gatherers, he said.

The only difference between the military during the time of President Marcos and the new armed forces is that they are now more fierce (mas mabangis). But they lack coordination, according to him, citing the fact that sometimes their own gunships were shooting down at soldiers.

Ka Remcy said they were not soliciting foreign aid, but that they would not refuse help. Some of his men carried Soviet and Chinese rifles which, he explained, they had captured from soldiers.

He showed one armalite which he said was taken from Virgilio Villasenor, a cockpit owner from Pulilan whom they had killed.

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CSO: 4200/538

FR BERNAS DEFENDS CLERICAL ACTIVISM

Quezon City VERITAS in English 23-29 Apr 87 p 13

[Opinion by Joaquin G. Bernas, S.J., in the "Occasional Reflections" column:  
"On Clerical Social Activism"]

[Text]

IN THE days of Mr. Marcos and captive media, a favorite game often publicly played, in an effort to quash the activism of the clergy, was selective quotation. Media, frequently manifesting itself more popish than the Pope, used to relish displaying papal quotations whose general message tended to want to confine the clergy within the four walls of the sacristy. In those days there were two ways of counteracting deliberately misleading handling of hierarchical pronouncements. One way was to place the words in the context of the actions of the Pope himself. Another way was by citing other quotations which belied the meaning preferred by captive media.

With pronouncements of John Paul II, it was easy to play the game of balancing quotations against papal action. Aside from the fact that the quotations were frequently taken out of context, the actions of the Pope himself, more often than not, eloquently belied the words. John Paul was and is still known for being deeply involved in the historical march of the Polish nation. It was therefore, and still is even now, very difficult to interpret his words as meaning that clerics should limit their activities to within the four walls of a church or sacristy. I myself have always maintained that if John Paul were a Filipino cleric working in the Philippines and as familiar with the Philippine situation as he is now with the Polish situation, he too would be in the forefront of the various phases of the Filipino struggle for freedom and justice.

Beyond the game of balancing words with actions, however, one can also play the game of balancing words with words; or, more exactly, placing words in proper context. For indeed, John Paul is more clerically activist than the propagandists of nervous governments would like to project him to be. Thus he said to the bishops of Brazil: "Certainly the mission of the Church cannot be restricted to questions of cult or within sacred buildings. . . Every time and at any level that a

sector of mankind tries to grow in human qualities and values with the aim of improving its living conditions and assuring its own promotion, the Church has always considered it a duty to be near and to work along with it. This dimension is more than ever felt today." Or, as he so forcefully proclaimed in Puebla: "If the Church gets involved in defending or promoting human dignity, she does so in accordance with its mission. For even though that mission is religious in character, and not social and political, it cannot help but consider human persons in terms of their whole being."

Under the present dispensation, what is sometimes said is that clerics and religious should refrain from social activism because the government won by the February revolution is different from that of Mr. Marcos and that the incumbent now is poles apart from the ousted one. True or not, however, one wonders if the statement is sufficient justification for religious activists to retire to their cells. The February revolution, as has also and often been pointed out, was at most a political revolution. It succeeded in dismantling structures oppressive to liberty. But more effective structures still have to be built and made to work. Moreover, the February revolution by no means solved the festering social problems of the nation. These problems still remain crying for solution. There still is every reason for clerics and religious to continue to be involved in the political and social problems of the nation.

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CSO: 4200/543

AQUINO VOWS TO INCREASE FARMERS' INCOMES

HK250753 Manila THE PHILIPPINE STAR in English 25 Apr 87 pp 1, 8

[By Jess Diaz]

[Text] President Aquino vowed yesterday to make farming more profitable and to increase the income of farmers.

Addressing the 34th national convention of the Rural Bankers Association of the Philippines, Mrs Aquino said the government will bring about the conditions that will enable farmers to earn more.

"When farmers are able to buy at lower costs the critical inputs of fertilizer, pesticides and seeds, then their incomes will rise. Also, when farmers can sell their produce at higher prices, then their incomes will rise further," she said.

The president said she was also committing government to a "more rational policy" on rural banking that will call for a "less paternalistic supervision" of rural banks, giving them flexibility.

She pledged to "get government off the backs of private business and its hands out of your pockets."

She added the same policy will be imposed on business.

"We intend to get business out of government and its hands out the national coffers and national affairs, until the state is confined to its proper role of providing protection of basic rights, the security of the people and the basic well-being of its least advantaged members," she stressed.

The president noted that in the past, rural banks were overdependent on government support and subsidies. They were so dependent that when this support dried up during the 1983 economic crisis, many banks folded up fast, she said.

She added there are now only about 850 rural banks as against 1,167 in 1981.

Mrs Aquino said that as a result of infusion of government subsidies into rural banks, these came under tighter state supervision and regulation.

This time, she said she expects the rural banks to "act more like banks, that is, institutions which transform savings into loans" instead of serving as "one-way channels of funds from government to the public."

Explaining further her policies on rural banking and farm credit, the president said the government will help the system get back on its feet.

The rehabilitation program being prepared by the Central Bank will be selective, she said, adding that some banks needing no help will get none, while others which are "beyond help... will be treated accordingly."

"At the end of the road, we shall have a leaner but stronger and more self-reliant system of rural banks," she stressed.

The president said government loans to rural banks will carry commercial interest rates and will be extended to only a qualified few. The banks, she added, will have to mobilize [words indistinct].

She told the rural bankers that whatever special subsidies and benefits the government will give rural banks should be passed on to agricultural borrowers.

"Our experience shows that helping rural banks does not necessarily translate into help for our farmers," she noted.

The president cited the role of the rural banking system in making credit available to the farmers, saying the buld of farm lending is extended by rural banks.

She urged the rural bankers to focus their energies on the goal of the increasing farm incomes.

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CSO: 4200/538

OFFICIAL CLAIMS HIGH PRICES SIGN OF RECOVERY

HK241445 Quezon City BUSINESS DAY in English 24 Apr 87 p 3

[By reporter Maria Victoria Gochoco-Perez]

[Text] Economic Planning Secretary Solita C. Monsod yesterday justified the recent increase in prices as a result of the economic lift now being experienced in the country.

"Prices are going up because demand is increasing and this demand increase is in turn due to the economic recovery taking place, Monsod said during the open forum following her speech before the Rotary International's Conference for Development in the Philippines.

She noted that usually there is a "lag time" involved before increased demand finally signals producers to produce more to meet the increase. During that lag time, she indicated, prices of what goods are available tend to go up.

However, the economic planning secretary made the assurance that government is on top of the situation, asserting the increase in prices is "all factored in" in the country's development plan.

"So long as the increase in prices is manageable--and that means (an inflation rate at) single digit levels--we can grow. We can grow under the constraint that prices should not go higher than the gross national product (GNP). We just want to make sure that the economy does not overheat," she said.

The government has projected an inflation rate for the entire Philippines to be at 5 percent by yearend. Projected growth of GNP this year is 6.5 percent.

Does government really believe it can attain this GNP growth target, she was asked. "We're gonna give it our best shot," Monsod said in her by characteristic fighting stance. "But of course, much depends on how fast the private sector reacts to developments."

Monsod belied reports that government has adjusted to its projection of the inflation rate this year to reach 2-digit levels.

"I'm talking about 5 percent for the country as a whole. Right now, the inflation figure is different for Metro Manila than for the provinces. In Metro Manila, it's now 4.5 percent but in the provinces it's still negative," she said.

In a speech delivered early this year, Monsod said only "minimal increases" in consumer prices may be expected. "With no major oil price hikes expected, and with favorable interest rates and the increased confidence in the economy, inflation should easily be held down to about 5 percent during the year," she noted.

Monsod indicated that government's role in trying to balance demand and supply should be limited to ensuring that competition in the marketplace, which ultimately affects prices, is "not of the overall good of the economy, should keep out of price controls.

"We should just make sure that competition is fair. If it isn't, then we can charge (the culprits) with economic sabotage. I've always believed that with price controls you can cure the patient but at the same time you can also kill him. Price controls give a distorted kind of signal to the economy," she asserted.

During her speech, Monsod fleshed out many points President Aquino earlier raised in the latter's keynoted speech.

Aquino said her administration's economic agenda in the next 5 years will focus on alleviation of poverty, generation of production employment, promotion of equity and social justice, and attainment of sustained growth.

Monsod said that government is targeting a reduction of families living below the poverty line from 65 percent this year to 45 percent by 1992.

The emergency employment program or the Community Employment and Development Program (CEDP) which started last year and is continuing through this year is the main vehicle for the government's employment generation activities.

Last year, employment in the country implementation of some 20,000 small-scale, labor-intensive CEDP infrastructure projects, Monsod said. This year, another 20,000 CEDP projects are slated to be implemented to whittle down to 10.6 percent the country's unemployment rate of 11.1 percent of the labor force in 1986. That means the economy having to create a million new jobs this year.

Promotion of equity and social justice is an objective of the government's land reform program. Under the new charter, farmers are to be given land at prices affordable to them and landowners are to be compensated fairly.

Monsod said the country's attaining sustained growth will very much depend on the private sector so that continuing structural reforms in the economy, such as government getting out of business fields unless it "can do better" than the private sector in these, will be carried out.



Government's competing with the private sector has resulted in "stifling" private sector initiative and thus the new administration is now committed to letting the free interplay of market forces spur investments, she said.

What is the ultimate objective of such a commitment? "By 1992, private sector investment will account for four-fifths of total investments in the country," Monsod said.

When asked if the Monetary Board, the policy-making body of the Central Bank of which she is a member, will allow importers of capital goods to pay the foreign suppliers of these in pesos, Monsod said, "there should be no reason at all for them not to be paid in pesos. The less hard currency that we have to give out, the better."

A Filipino businessman noted that companies in Europe, Hong Kong and Japan which supply capital goods are willing to accept Philippine pesos in payment for these but the Monetary Board does not allow payment in pesos.

The current procedure for importers of capital goods is to open a letter of credit and buy dollars with which to pay for the goods.

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CSO: 4200/538

FOREIGN INVESTMENTS DECLINE IN FIRST QUARTER

HK011053 Manila MANILA BULLETIN in English 1 May 87 p 25

[Text] Foreign investors appeared to be still wary in investing in the country as equity infusion into local projects registered with the Board of Investments [BOI] during the first quarter of 1987 dropped by a significant 30.7 percent.

Figures released by the BOI indicated that foreign investments during the 3-month period went down to P332.86 million from P480.14 million in the same period last year.

The BOI report showed that except for a number of European countries, the country's major investment partners in various regions registered declining trends in investments.

Asian countries during the period invested P182.49 million in various local projects, down by 15.5 percent from the P215.9 million recorded in January to March 1986.

While a number of investors from Hong Kong, China and Korea managed to express renewed interest to invest in the country, Japan exhibited a substantial 62.6 percent decrease in equity investment. Japanese nationals during the period poured in P76.21 million as against the previous year's P203.99 million.

Similarly, the United States posted a 76 percent decline in investments in the country, with only P41.73 million as compared with P174.16 equity infusion made in January to March last year.

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CSO: 4200/538

GRAINS SUPPORT PRICE MAINTAINED AT PRESENT LEVEL

HK241429 Quezon City BUSINESS DAY in English 24 Apr 87 p 2

[By reporter Michael D. Marasigan]

[Text] Government's support prices for palay [unhusked rice] and corn will be maintained at their present levels of P3.50 and P2.90 per kilo, respectively, National Food Authority [NFA] officials said yesterday.

NFA Deputy Administrator Teodoro Jumanil said the NFA Council Monday, in a routine review, decided that present grains support prices should not be reduced or increased.

"There is no decision (made by the council) to reduce the support price of palay and corn. Present prices will remain effective for the entire year of 1987," Jumanil told BUSINESS DAY.

He said a formal review will be made and announced sometime in May, but at this stage, the consensus among members of the council is that support prices should stay as they are.

Another NFA official who requested anonymity disclosed that a review has already been completed but his announcement was tentatively scheduled the 3d week of May. The official confirmed that prices will be maintained based on the review they have completed.

Earlier, farmers have threatened to stage a nationwide protest as reports circulated that the government was set to approve a proposal to reduce the support price for palay by P0.50 to P3.00 per kilo. If approved the reduced price was supposed to take effect during the next harvest season. Sources claimed that Agriculture Secretary Carlos Dominguez strongly battled for the reduction in the support price, but could not give reasons why Dominguez was pushing for the reduction. Dominguez was not available for comment yesterday.

NFA officials, other sources said, were reluctant to endorse Dominguez's proposal because it would further depress prevailing farmgate prices of palay which currently average at P2.90 per kilo.

Late last year, the NFA Council approved a reduction in the support price for palay by P0.50 to enable the food agency to increase its procurement capacity.

The reduction was a brainchild of former Agriculture Secretary Ramon V. Mitra who argued with the farmers that by lowering the support price, the NF would be able to prolong its presence in the market.

If the support price remained high, Mitra pointed out, then NFA's procurement funds would be easily exhausted and traders would be free to dictate prices which could go even lower than P3 per kilo.

However, the farmers did not buy Mitra's logic. Instead, they suggested that the NFA should be careful in programming their buying activities. They said the NF should only start buying at the peak of the harvest and keep away from the market when prices start to pick up.

Due to strong pressure from almost all farmers' groups, the new government eventually gave up its first try to reduce the support price for grains.

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CSO: 4200/538

## PHILIPPINES

### BRIEFS

INSURGENCY DEATH TOLL DOWN--The daily death toll in the 18-year-old insurgency has dropped by 50 percent. Armed Forces Chief Fidel Ramos said the latest statistics show daily fatalities have fallen from 14 in 1985 to 7 this year. The daily casualties consist of government troopers [as heard], two civilians, and three rebels. In 1985, four soldiers, four civilians, and six NPA rebels were killed each day. [Text] [Baquio City Mountain Province Broadcasting Company in English 0330 GMT 28 Apr 87 HK] /12232

CORDILLERA GROUP ALLIED TO COMMUNISTS--Left-wing guerrillas belonging to a northern Luzon tribe have declared war on the government of President Aquino and have allied themselves with the communist People's Army [as heard]. The leaders of the Cordillera People's Democratic Front assert that President Aquino's government is a puppet of the Americans. The group said they have set up their own government over many parts of the Cordillera region. They also assailed the U.S. Government and the Catholic Church for supporting the Aquino government and for impeding the country's revolutionary forces. The group said they were preparing to attack the rival Cordillera People's Army, which is headed by rebel priest Conrado Balweg. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 28 Apr 87 HK] /12232

CSO: 4200/538

BORDER FIGHTING WITH SRV TROOPS CONTINUES

BK040359 Bangkok THE NATION in English 4 May 87 p 5

[Text] Border defense forces continue to flush out Vietnamese intruders occupying a strategic hill on the Thai-Kampuchean border in the three-month-old operation in which 33 Thai troops were killed last month, senior military officials said yesterday.

Maj Gen Narudon Detpradiyut, the army spokesman, said a company of the Vietnamese soldiers are still dug in on the strategic hill close to Chong Bok Border Pass in Nam Yun District of Ubon Ratchathani Province in the north-eastern region.

It was very difficult for the Thai troops to advance toward the Vietnamese position because the mountainous terrain, which is hardly accessible, is riddled by landmines and booby traps. The Vietnamese also put up stiff resistance, said Narudon.

However, the government forces would drive the Vietnamese intruders back into Kampuchea as soon as possible, he said.

Fighting is still going on and both sides have suffered heavy casualties, said the spokesman. But the exact number of the Vietnamese casualties is not available, he added.

Narudon said the Thai troops will step up their actions against the intruders, if the Vietnamese persist in remaining in the Thai territory.

Meanwhile, Army Chief of Staff Gen Wanchai Ruangtrakun said 33 soldiers and rangers, including two officers, were killed in this Chong Bok operation last months.

He said families of the dead troops will soon receive the life insurance payment from the army.

He said the Thai troops have retaken most of the strategic hills from the Vietnamese intruders who still kept on patrolling across the Thai-Kampuchean border into Thailand. However, there is no need to deploy troops on the recaptured hills since the Thai gunners could shell the intruders' positions anywhere.

The Vietnamese gunners in Kampuchea last week shelled the Chong Bok area, killing two troops and wounding six others, said Wanchai.

The border troops, backed by artillery barrages and air strikes, have been trying since February to dislodge the Vietnamese intruders from several strategic hills inside Thailand. The operation is considered the toughest in the past few years.

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CSO: 4200/527

THAILAND

PRC. TOP RICE BUYER IN FIRST QUARTER OF 1987

BK220255 Bangkok BANGKOK POST in English 22 Apr 87 p 19

[Text] China was the largest buyer of Thai rice in the first quarter of this year with 179,470.1 [metric] tons--118,970.1 tons from the Commerce Ministry and 60,500 tons from private exporters, mainly 25 percent super-grade white rice.

Iran, normally buying only second-class 100 percent white rice, came second with 121,525.55 tons--99,124.65 tons from the ministry and 22,400.9 tons from private exporters.

The United Arab Emirates was third with 99,508.5 tons, followed by Senegal with 72,400 tons--65,460 tons from the ministry and 7,000 tons from private exporters.

Mozambique was fifth with 57,234.13 tons, all from private exporters, followed by Benin with 57,221.15 tons, all from private exporters; Singapore with 56,169 tons, all from private exporters; the Ivory Coast with 42,297.4 tons, all from private exporters; Somalia with 41,328.95 tons; and Zaire with 36,844.25 tons, all from private exporters.

Thailand exported 1,230,217.3 tons of rice to more than 100 countries in the first quarter.

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THAILAND

MALAYSIA CHARGES BORDER POLICE CAMP INTRUDES

BK270750 Bangkok MATICHON in Thai 27 Apr 87 p 1

[Text] According to a report from Songkla Province, recently a Malaysian official sent a note to the Thai Supreme Command to protest the construction of a Thai Border Patrol Police [BPP] check point between the 5- and 6-km posts in Betong District, Yala Province, which allegedly intruded 25 meters into Malaysian territory. As a result, the Supreme Command sent a radio message to the BPP Region 4 headquarters to verify the allegation. The BPP sent a team for an inspection on 19 April.

Police Major General Suwit Saisuphan informed MATICHON that the area involved in the Malaysian protest definitely is in Thai territory. There is a mountain ridge in the area that clearly separates Thailand and Malaysia. Suwit gave an assurance that the installation did not intrude into Malaysian territory but said that, because the issue involves another country, a final decision depends on higher authorities.

A BPP Region 4 source said that the area is rife with smuggling, which Thai authorities have earnestly tried to stop, possibly causing dissatisfaction among Malaysian officials because of lost income. The source also noted that Malaysian officials have taken retaliatory measures following the protest of fishermen in Pattani and the protest over border demarcation posts being misplaced in Thai territory. The retaliatory measures have included arson of Thai homes near the Sadao District border, closure of the border transit point in Padang Besar, and arrest of Thai citizens gathering articles in the forests in Sadao District.

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CSO: 4200/527

MORE RICE SALES IN ASIA, MIDEAST

BK270041 Bangkok BANGKOK POST in English 27 Apr 87 p 13

[Text] ASEAN and Middle Eastern countries are expected to buy more Thai rice this year because major exporting countries competing with Thailand are exporting less rice, according to the Board of Trade [BoT].

The report was submitted with BoT's Rice Committee Chairman, Mr Saman Ophatwong, who is also the president of the Rice Exporters Association.

Mr Saman noted that rice stocks in Burma and Pakistan have been reduced while unfavorable weather conditions, particularly drought, are likely to pose serious setbacks to rice farmers in many countries.

Burma recently curbed rice exports to ensure a sufficient supply for domestic demand while Pakistan suspended rice exports in preparation for a possible drought.

Thailand, the world's largest exporter of rice, exported a total of 1,230,217.30 tons of rice worth 5,269.7 million baht in the first quarter of this year, compared to 1,290,447.25 tons worth 5,872.56 million baht for the same period last year. This year's figures represent a reduction of 60,229.95 tons in volume and 602.8 million baht in earnings. However, exports for the first quarter exceeded the Commerce Ministry's target which was set at 1.2 million tons.

Efforts taken by the government during the past several months to boost the price of paddy in order to help farmers have proven successful.

The rising prices of both paddy and milled rice have forced exporters to be more careful in accepting overseas orders, particularly in making advanced sales, Mr Saman said.

On the world market, lower rice production for the 1986/87 crop is due mainly to unfavorable weather conditions in many parts of the world, particularly Africa, which once again experienced severe drought.

Nine African states bought 351,889 tons of Thai rice during the January-March period compared with only 93,038 tons during the same period last year, an increase of 258,851 tons.

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CSO: 4200/527

CABINET APPROVES EXPENDITURE BUDGET FOR 1988

BK220245 Bangkok THE NATION in English 22 Apr 87 pp 17, 18

[Text] The Cabinet yesterday approved the Finance Ministry's expenditure budget for fiscal 1988 at 243,500 million baht with a projected revenue of 199,500 million baht. The government now has to face a budget deficit of 44,000 million baht, which must be offset by borrowing.

The expenditure budget and the revenue for fiscal 1988 represent an increase of seven percent and 7.5 percent respectively. The amounts represent 19 percent and 15.6 percent respectively of the Gross Domestic Product [GDP].

The government set the debt service at 59,778 million baht, or 24.6 percent of the expenditure budget. This amount was reduced from 62,870 million baht which included 3,092 million baht in bonds which are due to maturity in 1988. The maturity will be extended.

The expenditure budget comprised 186,385 million baht of fixed expenses, 39,759 million baht of investment budget, and 17,356 million baht for repayment of principal loans.

Finance Minister Dr Suthi Singhasane said the expenditure budget is scheduled for debate by Parliament at the end of May or before the end of this session.

The ministry deems it suitable for the government to have substantial investment spending which will boost economic growth. At the same time, the fixed expenditure growth is curtailed to actual spending with maximum efficiency.

The government fixed expenses such as house rental assistance for government officials and employees at exact amounts to prevent any spending from the fiscal reserve or the central fund.

The government set the expenditure budgets for state enterprises which do not have their own income and those which have government commitment to allocate budgets in full.

The government expects to have the projected revenue based on the current tax rates. The amount of increase in revenue would correspond with the country's economic growth and be more realistic with the actual collection.

The government still wants to curb the budget deficit at lower than 3.5 percent of the GDP, or not over 44,800 million baht.

Minister Suthi said foreign financial institutions considered the deficit set at 44,000 million baht still manageable.

The deficit will be offset by 16,000 million baht in loans from the Government Savings Bank, 24,700 million baht loans from private financial institutions and 3,300 million baht from the Bank of Thailand.

The revenue target has been set to rise from 14 percent of the GDP to 15.6 percent based on the efforts to expand the tax collection base and not through tax increases, said the minister.

The investment budget has been set to rise by 9.5 percent to 39,759 million baht. One of the main thrusts of this expenditure budget is to reduce debts by state agencies to state enterprises supplying various services.

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CSO: 4200/527

PAPER CALLS ON INSTITUTIONS TO SUPPORT DEMOCRACY

BK261144 Bangkok SIAM RAT in Thai 25 Apr 87 p 8

[Editorial: "Concerning the Army Statement"]

[Text] The army issued a statement Thursday night, 23 April, saying that the army commander and the military institution have no connection with and have not put pressure on nor supported groups whose activities are harmful to the country.

Although the army was not specific about the persons responsible for citing the name of the army commander or the military institution for their purposes, we can guess from the current political atmosphere that the matter concerns the withdrawal of support by opposition party members from the no-confidence motion against the entire government. There were reports saying that the 15 MP's who withdrew their support for the no-confidence motion did so in exchange for a certain sum of money paid by a group of people who have links with the army commander and the military institution.

The report said that some in the group are high ranking officers. If the reports are true, what those militarymen did was very improper as they hold such high and influential positions, and what they did would adversely affect their superiors and give an ill image to the army even though they might argue that they were engaged in a personal matter. Their act also constitutes a breach of disciplinary regulations because government officials are not supposed to "lobby" for certain political effects, especially in such a shameful and undemocratic manner.

Such a political interference is against tradition. Although it is the work of only some army members, it could lead to misunderstanding and an eventual division between the army and other institutions.

We must try to prevent militarymen from playing politics under cover. If they want to be politicians, they should take off their uniforms and run for election, following the example of their predecessors. It is shameful and selfish to play politics by using politicians as their facade. Such a method is harmful to the democratic system because it discredits the members of Parliament, political parties, and the entire parliamentary institution itself.

Democracy in our country still has a long way to go to achieve perfection. We must learn and improve it little by little until we achieve what other countries have achieved.

During the process of its development, it is natural for certain groups to suffer losses, loss of interests and loss of power. We are appealing to those groups not to resort to undemocratic means to protect their interests. We want them to adjust their outlook and accept the norms and general practice accepted by others for the sake of peaceful coexistence in society.

We still have a parliamentary system which is weak, both in terms of the members of parliament and the political parties. A number of them can still be bought by money because they have no political ideology.

We are sure that our parliamentary system will collapse if the trend continues unchecked. We therefore call on all concerned parties to help each other in preserving and building our parliamentary system. This is what we have to do if we do not wish to have it replaced by another form of government.

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BANGKOK GOVERNOR COMMENTS ON POLITICAL SCENE

BK300153 Bangkok BANGKOK POST in English 30 Apr 87 p 3

[Text] Thai political development has reached an impasse and there is no immediate solution, Bangkok Governor Chamlong Simuang said yesterday.

Major-General Chamlong said the answer did not lie in a dissolution of Parliament, a Cabinet reshuffle, a constitutional amendment, a coup d'etat or even the so-called revolutionary council.

The governor said the impasse was worrying because politics was the key to development and the deadlock would aggravate other problems.

"This is a phenomenon we have never experienced before and it has never been recorded in any political textbook," he said.

The situation, he said, has gradually built to the point where everyone, including the political parties, now appear to accept defeat. "Nobody has won and everyone seems to have lost the will to do anything," he said.

The government has not come out to take any specific measures, probably because it is also confused, he said. "Somebody called me the other day and asked me to comment on the idea that every responsible person is dead," Maj-Gen Chamlong said.

The governor tried to seek advice from experienced politicians but none could provide an answer. He said Parliament at present could do little to improve the situation.

"What do you think they (Parliament members) can do to protect their own institution? That is time-consuming and needs a lot of effort," he said.

The Revolutionary Council gathering, which ended yesterday, could be seen as another attempt by a group of people to bring the country out of the quagmire, he said, and the people had yet to decide whether they would accept the movement. "It's like searching for a piece of merchandise. Everyone for a piece of merchandise. Everyone will buy it if it works, be it old or new," he said.



Maj-Gen Chamlong said that the answer is elusive. "We have to find a solution that will improve the situation and give the people new hope." Under the present political climate, people could help by expressing their opinions through the press.

The country did not need a knight on a white horse, but the people's own voice expressed through the mass media would be enough to change the situation, he added.

Maj-Gen Chamlong said he did not believe a dissolution of Parliament, constitutional amendments to separate the legislative and the administrative powers, a Cabinet reshuffle, or the revolutionary council would help.

The quality of MPs that would come from a new election after a dissolution would be no different from the ones at present, he said, and he doubted they would back a constitutional amendment in any case.

Senior military officers have repeatedly promised not to seize power by force and even if they did they would never get the people's approval, he said. The government, meanwhile, would need a miracle to help it to carry on its work should it decide to reshuffle the Cabinet.

"Everything has become stale. Even though the opposition may be able to muster enough support to push the nonconfidence motion into Parliament, the debate will help very little because the damage has already been done when the motion was killed," he said.

Maj-Gen Chamlong declined to comment on the Chulalongkorn University survey which showed him to be the most preferred possible prime minister followed by Gen Athit Kamlang-ek and Army Commander-in-Chief Gen Chawalit Yongchaiyut.

The governor also denied reports he was planning to set up a political party. He said he would stick to his campaigning style should he decide to run in a national election, but emphasized he has no ambitions in that direction.

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GOVERNMENT URGED TO 'GET ITS ACT TOGETHER'

BK010101 Bangkok BANGKOK POST in English 1 May 87 p 4

[Editorial: "Demonstrating Who Is in Charge"]

[Text] Our country is renowned for its ability to bounce back from the brink, but people are beginning to ask why we need to demonstrate this talent quite so often. The events of the last few days have made many people wonder whether we are losing our sense of direction and even a measure of our sanity. Of late we have been embroiled in seemingly endless heated national debates over several important matters culminating in the establishment of the so-called "Revolutionary Council."

When this strange entity made the headlines last week, few took it seriously. Most dismissed it as a "political joke," something to be indulged in only by "jobless politicians" or "political antiques." Reactions were mixed, but those who were in a position to do something about it appeared to be complacent. They would only say that there was nothing wrong with the group having a meeting so long as it did not violate the law; that the authorities were keeping a watchful eye on it and that they themselves were not involved in any way. But the fact that the meeting took place, even though it had a dismal finish during which its leading members disappeared, means that it can no longer be treated merely as a joke. Now the political temperature is again on the rise following the emergence of another group called "Sri Vijaya" which has declared its opposition to everything that the "Revolutionary Council" is supposed to represent.

It is not so much a question of who brought about the formation of these groups of people or how or why they did so that matter so much now. Rather, the real danger is that by allowing these exercises to take place, the Constitution can get trampled on in the process. Of course there were no acts which actually disturbed the public peace and posed a major threat to law and order. These people met to discuss and issue policies for the government to carry out, thereby acting as if they were an extra-legal institution which is above everything else. One group reportedly even threatened to stage a mobilization on a larger scale throughout the country if the government did not heed its advice, while the other vowed that if this happened, it "would step up its activities to challenge it." The scenario brings back the memory of the most mindless clash of opinions on that tragic day of October 6, 1976, an event which left a deep scar in Thai political history.

If there is any merit in these meetings it is that they serve to point out the areas to which our present government should be giving its priorities. One question though: Must the government wait until these problems have been pointed out before it decides to do anything? So far the government has taken no firm stand towards either the revolutionary or the counterrevolutionary group. This provides little indication of what the government would do if similar meetings were to take place again in the future.

It would seem that the government must get its act together soon to ensure that matters do not get out of control. The prime minister, in particular, is now suffering from an image problem as a result of the aborted no-confidence motion in Parliament last week and opinion surveys claim his popularity has fallen. If the trend is not reversed, how can the country move forward? The ordinary man in the street is already asking: "What is going on around here?" That question needs a quick, firm answer. Someone has got to answer it, loud and clear. And the answer should leave no doubt, both for us here in Thailand and those abroad, as to who is really in charge.

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CSO: 4200/527

DAILIES ON AFTERMATH OF CENSURE MOTION KILLING

BK020245 [Editorial Report] Two Thai language dailies--MATICHON and THAI RAT-- on 2 May carry editorials commenting on the killing of the no-confidence motion against the whole government and other related events.

MATICHON's page 6 editorial, entitled: "Politics at the Dead End," says that though the withdrawal of the support from 15 opposition MP's from the no-confidence motion against the government can be regarded as "the victory of the government side," "the political prestige of the government has been affected. Particularly, General Prem Tinsulanon is being questioned about his narrow-mindedness. The prime ministere, reputed for his honesty, is so afraid of facing the opposition's censure motion."

The editorial says the government has deprived "the opposition of its least opportunity" to do its duty in checking the government's performance, and adds: "Not only Gen Prem Tinsulanon but also the political parties in the coalition government must be held responsible for this matter. The victory over the opposition this time is tantamount to trampling on the spirit of democracy."

Continuing, the daily says: The emergence of the "Revolutionary Council" has caused "much uneasiness" in the country because the government and its leaders "have been behaving more in a tyrannical manner." The editorial goes on: The Revolutionary Council is merely a political farce jointly staged by the top military brass and some business tycoons. The presence of the Revolutionary Council is a slap on the face of the legally existing House of Representatives.

The editorial concludes: "The people, especially political parties and politicians, must realize and prove that the democratic system with the king as head of state is a success. Everyone must join in efforts to materialize this."

THAI RAT's page 3 editorial, entitled: "What the Prime Minister Has to Prove," says: "Prime Minister Gen Prem Tinsulanon's silence over the withdrawal of the no-confidence motion does not do any good to the government because criticism is getting louder and louder, while some people outside the National Assembly resort to various maneuvers to test the government's tolerance. It would be wise for the government to do something to reduce such a pressure made by those forces outside the National Assembly who are reportedly using

tactics to try to oust the government and cooperating with the opposition to convince the general public that the government under the leadership of Gen Prem Tinsulanon is leading the country to economic and social disaster."

The editorial notes: "The fact that the prime minister has been chosen by the majority in the National Assembly to form the present stable government to administer the affairs of the country over the past 8 months can justify the elimination of other movements outside the parliament."

The editorial concludes: "The prime minister, in his capacity as head of the government, should not forget to review his own shortcomings and weakness and make corrections. In principle, any government under the democratic system must listen to public opinion and always encounter challenges."

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CSO: 4200/527

527 CPM GUERRILLAS SURRENDER

BK290023 Bangkok BANGKOK POST in English 29 Apr 87 p 1

[Report by Soemsuk Kasitipradit]

[Text] Betong--A total of 537 members of the Communist Party of Malaya [CPM] surrendered to Fourth Army Commander Lt Gen Visit Artkhumwong yesterday.

The defectors, of whom 252 were women, led by CPM Marxist-Leninist faction leader Chang Chun Minh, came aboard army helicopters and trucks to a village near the Bo Nam Ron fall, about 18 km northwest of Betong.

They reportedly arrived from Bannang Sata, Than To, Betong and Thalu Cave in Than To District near the border, and brought along 1,000 M16 rifles and carbines, 5,000 grenades and more than 100,000 rounds of ammunition. Another 40 CPM members will give themselves up after they have defused landmines in the border area.

Sources said another CPM "Proper" faction failed to persuade the 800-strong Chang force, which controlled a section of the Yala-Betong Road from Than To to Betong, to call off negotiations with authorities.

Authorities estimate more than 800 rebels are still active in Yala, Songkhla and Narathiwat. These remnants are expected to surrender within a year.

The government will set up villages for the defectors along the border and provide each with 16 rai of farmland. It also promised not to force them back into Malaysia.

Chang was quoted as telling Yala Governor Niwat Phibun over lunch that his force gave up armed resistance because there was no hope of victory in the wake of the 66/23 policy.

Praising the authorities' sincerity for the success of the talks, Chang said he would spend the rest of his life tilling land because "I have no knowledge for other trade."

"The people and authorities desire peace, so there is no need to prolong the war. Forty years of fighting has tired us out," he said.

Wirun Khantasiwirot, secretary of a Betong foundation, said the governor and provincial officials will visit the defectors' settlements next week to boost their morale.

Other executive members of Chang's faction such as Khiu Chan, Lao Chang, Liu Sing, Lao Pa, Wong Chin and Ah Yin also attended the ceremony.

Officials have barred press coverage of the event and confiscated rolls of film from reporters, including a BANGKOK POST reporter. However, our reporter managed to slip exposed film through a security check.

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CSO: 4200/527

THAILAND

TEXTILE INDUSTRY CONCERNED OVER NEW NATIONAL POLICY

BK240929 Bangkok BANGKOK POST in English 24 Apr 87 p 11

[Text] Senior textile industry representatives have expressed concern over the content of the new national textile policy which will be submitted for approval by the Council of Economic Ministers on Monday.

Industry representatives voiced the opinion that the provisions for expansion should not favor any particular sector and everyone should have the right to expand as they see fit.

National Federation of Thai Textile Industries president Songkhram Chiwaprathamrong also told reporters during a press conference yesterday that the rapid completion and implementation of the new national textile policy was essential for the Thai industry to take advantage of the current worldwide boom.

The NFTTI is the apex body of textile-related associations, each of which was represented at yesterday's press conference. They include: the Textile Manufacturers Association represented by President Phongsak Atsakul; the Thai Garment Manufacturers Association (Vice President Wichian Triwongphaisan); the Thai Synthetics Association (President Olan Wirawan); the Thai Silk Association (President Prayun Itsarangkun); and the Thai Weaving Manufacturers Association (President Mr Songkhram).

Mr Songkhram said the global textile scenario was changing and the Thai textile industry should make the most of the very real opportunities that exist. However, to do so, it had to have clear policy guidelines within which to work.

Mr Songkhram said the global textile situation now favored Thailand's expansion and prominence for the next 10-20 years. He said experts from Japan, South Korea and other Southeast Asian nations now considered the Thai textile industry and most attractive for investment among less developed countries.

Last year Thailand registered an export growth rate of 30 percent which was the highest in the world.



Despite the bright prospects, Mr Songkhram said certain sections of the industry were growing faster than others. Although the garment sector is currently enjoying tremendous growth, he said the spinning and weaving sectors were being hampered by government restrictions and were now falling behind.

He said these restrictions meant the garment sector could not find enough raw materials locally and was forced to import. Imports this year were expected to reach 8,000 million baht, while the ratio of domestic raw material to imports was expected to be 30/70 compared with 50/50 for 1985 and last year.

Nevertheless, he said Thailand had a bright textile export future.

Last year Thailand exported textile products worth 30,000 million baht. This year, even with the restrictions, exports were expected to earn about 40,000 million baht and the garment sector alone would earn about 25,000 million baht.

Mr Songkhram said the five associations would like either the National Textile Committee chaired by Industry Minister Pramuan Saphawasu or the Council of Economic Ministers, which has been handed responsibility for deciding the final draft of the policy, to conclude their deliberations, otherwise Thailand may miss the opportunity to capitalize on the problems being experienced by competitors with strengthening currencies.

He said that even if the policy was announced now, it would take at least a year before new machinery could be imported to boost manufacturing capacity.

He said the five associations were puzzled why no progress had been made in the formulation of the new national textile policy since the last committee meeting in February. The longer the delay, he said, the greater the damage to the industry.

Mr Songkhram said the associations were also wondering why, when the new policy had still not been formulated, the Board of Investment had granted promotional privileges to one spinning company, Thai Melon Textile Co Ltd, to expand its capacity. The privileges were granted under the old policy dated November 1984, but other companies which applied were told by the BoI that it could not grant privileges until a new policy had been formulated.

Mr Songkhram said the industry was ready to expand under the old policy which stated all extra production must be exported, the companies must have bonded warehouses and they must use new machinery.

He said BoI privileges were essential for the local industry to compete effectively in the world market.

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REVENUE COLLECTION LOWER THAN PROJECTED

BK240909 Bangkok BANGKOK POST in English 24 Apr 87 p 26

[Text] The government's revenue collection in the first half of the fiscal year totaled 78,258.25 million baht, 2.48 percent lower than projected.

The failure to reach target was due to a shortfall in collections by the Revenue Department which fell 7.94 percent below its projected revenue. Two other departments, excise and customs, topped their targets by 1.30 percent and 1.61 percent respectively.

The collection of personal income tax caused the most serious problems and amounted to only 9,914 million baht, 2,488.0 million baht or 20.06 percent below target.

Total collection by the Revenue Department between October last year and March reached 30,811.66 million baht, 2,395.2 million baht or 8.43 percent more than the same period last fiscal year, but 2,657.03 million baht of 7.94 percent below projection.

Revenue Department collection comprises three main areas: personal income, corporate and business taxes.

For personal income tax, the collection was 299.5 million baht or 2.93 percent higher than last year.

The collection of corporate tax amounted to 4,352.78 million baht, higher than last year by 1,211.21 million baht or 38.55 percent, 234.78 million baht or 5.70 percent more than projected.

The collection of business tax was also favorable at 15,770.9 million baht, 1,408.02 million baht or 9.8 percent higher than last year and 33.1. million baht or 2.06 percent more than the target.

Excise tax collection amounted to 29.591 million baht, higher than last year by 9,559.1 million baht or 47.72 percent, and greater than the adjusted target by 380.8 million baht or 1.30 percent.

The Customs Department also had a favorable six months earning revenue of 17,855.59 million baht, 2,774.32 million baht or 18.4 percent more than last year and 283.66 million baht or 1.61 percent higher than adjusted target.

COUNCIL APPROVES NEW TEXTILE POLICY PROPOSALS

BK270137 Bangkok BANGKOK POST in English 28 Apr 87 p 15

[Text] The Council of the Economic Ministers yesterday approved the national textile policy proposed by the Industry Ministry to promote the textile industry.

The policy calls for the Board of Investment [BoI] to grant promotional privileges to exporting textile projects only.

The council agreed to the granting of BoI privileges providing investors aided by the Industry Ministry's following conditions:

- Existing investors will have first preference for privileges.
- The project owner must set up a manufacturing-type bonded warehouse in his factory and must follow the rules of the government authority concerned.
- The project must clearly state information concerning the purchase and delivery of textile machinery and equipment. The Industry Ministry will consider later whether only new machinery will be allowed.
- All produce must be for export.
- The project owner must have specific export markets and a clear export plan.
- The operator must have the capability to compete in foreign markets and must specify any special support required from the public sector.
- The Industry Ministry will control the complete operation of the project including ensuring the start-up date is as soon as possible so the investor can show his strong support for the project's success.

Project owners must have their own capital and must show bank guarantees.

The council also agreed to allow investment in spinning and weaving operations for export in line with its new open policy. There are currently 31 projects pending BoI privileges and another 8 with requests to open factories without privileges.

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## THAILAND

### BRIEFS

FORMER COMMUNIST INSURGENTS SURRENDER--Chiang Mai--A total of 26 former communist insurgents have defected to Special Branch police in this northern province since Monday, police sources said. The defectors, mostly hill-tribesmen, reportedly surrendered to Special Branch police of the 4th Section based in Chiang Mai. The sources did not give details, but said that most of them used to live in Laos and Burma. They reportedly had their operational areas in the northern Thailand. It is expected that more insurgents will surrender. [Text] [Bangkok BANGKOK WORLD in English 24 Apr 87 p 24 BK] /9738

AGREEMENT WITH SOLOMON ISLANDS--The Solomon Islands has agreed in principle to let Thai trawlers operate in its waters, and let Thai logging companies exploit its rich forest reserves on a joint venture basis. The initial agreement was reached between visiting Solomon Islands Foreign Minister Paul Tovua and Deputy Foreign Minister Praphat Limpaphan. Thailand imports over 700 million baht worth of frozen tuna from the Solomon annually while exports only 16 million baht worth of rice to the Solomon Islands. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 30 Apr 87 BK] /9738

EX-COMMUNIST SURRENDER--A total of 117 Hmong tribes people who are former members of the Communist Party of Thailand [CPT] surrendered to authorities on Tuesday [28 April] in Pua District of Nan Province. The leader of the group said they began walking a few days earlier from an area near the Thai-Lao border to give themselves up to Task Force 32 at Ban Sopphang Phatthana. He and others joined the CPT in 1983 and operated in Thung Chang District. They later fled government suppression to live along the Thai-Lao border. Task Force 32 officials said they have provided food, medicine, and other necessities for the Hmong and will find a place for them to settle down. Nan Province was once a strong communist bastion in the north. [Text] [Bangkok Domestic Service in English 0000 GMT 1 May 87 BK] /9738

CSO: 4200/527

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

KHIEU SAMPHAN ADDRESSES ESCAP MEETING

BK241017 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 24 Apr 87

[Text] Addressing the United Nation's ESCAP conference in Bangkok yesterday, Khieu Samphan, vice president of the Cambodian Coalition Government and president of the Democratic Kampuchean faction [all titles as heard], said that Cambodia's economic and social development projects have been stalled because of the Vietnamese war of aggression in Cambodia.

Khieu Samphan said on that occasion that the Cambodian people wanted to devote their energy to rebuilding the economy but their efforts were thwarted by the Vietnamese aggression in Cambodia.

Describing the aggression against Cambodia by Vietnamese troops as a Vietnamese strategy to integrate Cambodia into the Indochinese Federation, Khieu Samphan said that this act had caused immeasurable destruction to Cambodia and its people today.

However, Khieu Samphan said that Vietnam's ambition to integrate Cambodia into the Indochinese Federation would not materialize because of the support given Cambodia by the ASEAN countries and the world community, adding that the UN resolutions on Cambodia had also pushed Vietnam into isolation in the international arena.

Khieu Samphan expressed gratitude for Thailand's support for the Cambodian people's cause of struggle against the Vietnamese aggressors and its generosity toward the Cambodian refugees. He also condemned Vietnamese incursions into Thai territory.

He expressed concern that without peace, security, and stability in the region, ESCAP's objectives for development in Southeast Asia would not be fulfilled.

Khieu Samphan appealed for peace and understanding, saying that the war in Cambodia might last far too long, thus causing more serious bloodshed and much sorrow and suffering to the Cambodian and Vietnamese peoples.

While rejecting Vietnam's attempt to make others accept its occupation of Cambodia as an irreversible fait accompli, Khieu Samphan told a press conference later that the Cambodian people had an inalienable right to their country and would exercise this right until all Vietnamese are withdrawn.

Khieu Samphan quoted Chinese leaders as saying that the Soviet Union was intransigent about the Cambodian problem during a recent Sino-Soviet discussion. However, he said, Vietnam could not continue its war and refuse to settle the Cambodian conflict because of its declining economy. He added that Vietnam would stand to lose.

Khieu Samphan urged the Vietnamese leaders to accept the CGDK's 8-point proposal, saying that it would enable both Vietnam and Cambodia to live together peacefully, without hatred or the desire for revenge. He added that peace would restore security and stability in Southeast Asia and the Asia-Pacific region.

Khieu Samphan also appealed for aid from the UN and other international organizations for the reconstruction of Cambodia after the end of the war.

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CSO: 4200/527

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUK THANKS PRC LEADERS FOR GREETINGS

BK260400 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
25 Apr 87

[16 April reply message from Norodom Sihanouk, president of Democratic Kampuchea, to Li Xiannian, president of the PRC; and Zhao Ziyang, premier of the PRC State Council]

[Text] Mr President and Mr Premier:

On behalf of the Cambodian people and the CGDK; on behalf of His Excellency Son Sann, prime minister of the CGDK; and His Excellency Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, and in my own name, I would like to express wholehearted thanks to your excellencies for the generous message sent to us in your own name and on behalf of the fraternal Chinese people and the glorious PRC in which you extended warm greetings and best wishes to us on the occasion of the National Day of Democratic Kampuchea.

The noble, vigorous, and effective support and multiple forms of assistance given us in our sacred struggle for national liberation by the PRC and the Chinese people, party, and government have greatly encouraged us to resolutely carry on our struggle, which has scored successive victories in all aspects during the past several years.

We are firmly confident to be totally liberated from the evil claws of the Vietnamese arch criminals and colonialists in the near future and an independent, unified, neutral, nonaligned, peaceful, and progressive Cambodia will definitely be reborn. The PRC will also make a great, historical contribution to our victory, and Cambodia and China will unite forever as two brothers and inseparable comrades-in-arms.

It is with this confidence that I would like your excellencies to please accept my highest regards.

[Signed] Norodom Sihanouk, president of Democratic Kampuchea

[Dated] Pyongyang, 16 April 1987

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CSO: 4200/527

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUK THANKS DPRK'S KIM IL-SONG FOR GREETINGS

BK290202 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
28 Apr 87

[Reply message from Democratic Kampuchean President Norodom Sihanouk to DPRK  
President Kim Il-Song]

[Text] Respected excellency the marshal, president of the republic:

I am very pleased to have received today the generous letter in which your excellency, the respected and beloved leader of the Korean people, extended greetings and best wishes to us on the occasion of Democratic Kampuchea's national day.

On behalf of the CGDK and the Democratic Kampuchean armed forces and in my own name, I would like to express profound thanks to your excellency--the respected and beloved great leader.

The firm, strong, and splendid support given to the Cambodian people's just cause in their sacred struggle for national liberation is a great encouragement for us to carry on our struggle which has scored successive victories in all aspects during the past few years. While being optimistic in our national liberation struggle, we are firmly confident that under your famous leadership and your just, wise, and highly patriotic proposal of great intelligence, the independent and peaceful reunification of Korea will certainly be achieved within the near future.

Our support for the just and sacred cause of the fraternal heroic Korean people led by your excellency is firm and completely unconditional. The Democratic People's Republic of Korea and Democratic Kampuchea will unite forever as unbreakable blood brothers. We will unite forever to defend our common ideals of freedom, justice, peace, and progress.

It is with this confidence that I ask your excellency, the marshal president of the DPRK, to please accept my highest regards.

[Signed] Norodom Sihanouk, president of Democratic Kampuchea  
[Dated] Korea, 16 April 1987

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CSO: 4200/527



COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK CARRIES SIHANOUK REPLY TO SRFY PRESIDENT

BK030156 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
2 May 87

[Reply from Samdech president of Democratic Kampuchea to SFRY President Sinan  
Hasani]

[Text] On the occasion of Democratic Kampuchea's national day, your excellency,  
the president of the SFRY, sent me a message of warm congratulations and  
friendly wishes. On behalf of the Cambodian people and in my own name, I  
am honored to express our profound thanks.

The firm and resolute support provided by your excellency---respected by the  
heroic Yugoslav nation and people--and the glorious SFRY Government for our  
sacred national liberation struggle has greatly encouraged us in carrying on  
the struggle, which will in the future yield an independent, free, unified,  
and nonaligned Cambodia. Your excellency's precious contribution to restoring  
Cambodia's independence, unity, and peace is a historic event.

I would like to express once again our eternal gratitude and wish you good  
health and longevity.

Please accept my highest consideration.

[Signed] Norodom Sihanouk, president of Democratic Kampuchea

[Dated] Pyongyang, 25 April 1987

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CSO: 4200/527

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK WARNS TOURIST ON VISITING ANGKOR WAT AREA

BK040419 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
3 May 87

["News commentary": "Vietnam Already Considers Cambodia a Vietnamese Province"]

[Text] According to a report from Vietnam, the Hanoi Vietnamese are making plans to bring foreign tourists to visit Angkor Wat temple. According to this plan, tourists would leave Ho Chi Minh City directly for Angkor Wat, with Vietnam issuing visas. This clearly confirms that the Hanoi Vietnamese already consider Cambodia a Vietnamese Province. It is up to the Vietnamese to decide what to do and or to allow this or that foreigner into Cambodia.

As for the so-called Heng Samrin regime, it is just a label to cover up the Vietnamese act of aggression and race extermination in Cambodia. The Heng Samrin clique knows nothing and has no power whatsoever. Everything, both military and civil, is decided and carried out by the Vietnamese themselves.

The Hanoi Vietnamese are striving to bring people to visit Cambodia, particularly Angkor Wat area, in order to get money to alleviate Vietnam's current problems on the one hand, and on the other, to fool people about the situation in Cambodia and get them to legitimize the Vietnamese act of aggression in Cambodia.

The CGDK has successively stated that Democratic Kampuchea is a member of the United Nations and of the World Tourism Association. During the past more than 8 years, Democratic Kampuchea has been the victim of the Hanoi Vietnamese war of aggression and the war is currently raging throughout Cambodia. Therefore, the CGDK will not be responsible for any foreign tourists who visit Cambodia, particularly the Angkor area, through Vietnam or the Vietnamese aggressors' regime in Cambodia.

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CSO: 4200/527

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

ANS REPORTS 38 SRV-HENG SAMRIN TROOPS KILLED

BK241009 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 24 Apr 87

[Text] According to a report from the General Staff of the Sihanoukist National Army [ANS], ANS combatants killed 38 Vietnamese soldiers, wounded 33 others, and seized a quantity of weapons and war materiel during an attack against a position of the Vietnamese-Heng Samrin soldiers in Kouk Mon village, Samraong District, Oddar Meanchey Province.

According to the report, on 21 April a number of ANS combatants launched an attack against a position of 200 Vietnamese-Heng Samrin soldiers in Kouk Mon village, Samraong District, Oddar Meanchey Province. The attack and seizure of this position, which lasted for 2 hours, resulted in 38 Vietnamese soldiers killed and 33 others wounded. The ANS combatants seized a 12.8-mm gun, an M-60, a B-40, 5 AK's, 3 SK's, 460 meters of cloth, 40 singlets, a hammock, and a large quantity of materiel and documents.

The ANB combatants also destroyed 2 122-mm guns, an AK-57, a 82-mm mortar, a 60-mm mortar, 2 12.8-mm guns, 25 AK-47's, 15 SK's, an ammunition depot, 50 barracks, a district office, a rice warehouse, 4 trucks, a material storehouse, the 7705th headquarters of the 286th Division of the Heng Samrin soldiers, a Khor-58 headquarters, and 2 Soviet-made field radios. They also arrested a Heng Samrin soldier. The ANS combatants suffered three killed and two seriously wounded.

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CSO: 4200/527

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK CITES INTENSIFIED GOVERNMENT FORCES' MUTINY

BK290230 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
28 Apr 87

[Station commentary: "The Fraternal Cambodian Soldiers Are Rising Up and Turning Against the Vietnamese Enemy Aggressors More Vigorously Every Day"]

[Text] The Vietnamese enemy aggressors are now facing more serious difficulties in all fields on the Cambodian battlefield. They are being attacked vigorously from all directions by our National Army as well as by the entire Cambodian people and the fraternal Cambodian soldiers, militiamen, and administrators who have been forcibly installed to serve them.

As for the fraternal Cambodian soldiers, militiamen, and administrators who have been forced to serve the Vietnamese, in this dry season they have risen up and staged all forms of mutiny more vigorously and on a larger scale. More of them have fled to join our National Army or have returned back home. They have fled as entire units--platoons, companies, and even battalions--dozens and even hundreds at a time. At the same time, they have joined with our National Army and people to form the three forces in attacking the Vietnamese enemy, thus dismantling more village and commune administrations of the Vietnamese enemy, frustrating its K-5 plan, and smashing many more townships and large and small positions of the Vietnamese enemy.

For example, on 1 April, a platoon of Cambodian soldiers stationed at Bannak, Chheu Thong Commune, Bakan District [Pursat Province], fled to join our National Army by bringing along 11 weapons. On 28 March, 60 Cambodian soldiers stationed on the Samlot battlefield mutinied, killing or wounding a number of Vietnamese soldiers. They then fled back home. On 3 April, the fraternal Cambodian soldiers at (Chek Hay), O Pram, and Krasang Tiep positions in Stoeng Trang District [Kompong Cham Province] ambushed the Vietnamese who were attempting to rob our people and lobbed grenades into their position, killing or wounding a number of them. They then fled back home.

These are only some examples. In addition to this, the fraternal Cambodian soldiers, militiamen, and administrators who have been forced to serve the Vietnamese enemy have conducted all kinds of activities against the Vietnamese enemy, such as destroying the Vietnamese enemy's ammunition, food supply, and material warehouses and burning down its oil and weapons depots.

All these events clearly attest to the fact that the Vietnamese enemy aggressors have completely failed in their attempt to pit Cambodians against Cambodians. All Cambodians are well aware of the genocidal crimes of the Vietnamese enemy who have arrested, tortured, and massacred our people. Thevan soldiers have nurtured deep hatred against the Vietnamese enemy who have not only committed crimes against our people, their parents, relatives, and families but also bullied them. They have thus risen up and jointly fought against the Vietnamese enemy aggressors. At the same time, the fact that our national army has dispersed and dismantled more village and commune administrations of the Vietnamese enemy is a chance for the fraternal Cambodian soldiers and our people to liberate themselves from the Vietnamese oppression and to join with our National Army to form the three forces to fight for the defense of their villages, farmland, and property from being stolen at will by the Vietnamese enemy.

The fraternal Cambodian soldiers and the whole Cambodian people are well aware that for the survival of our Cambodian nation and race and the survival--with honor--of their families and themselves, they must jointly fight against the Vietnamese enemy aggressors and race exterminators more vigorously until they are compelled to withdraw all their aggressor troops from Cambodia in accordance with the UN resolutions and the 8-point proposal which is the Constitution of our nation.

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CSO: 4200/527

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SRV DIVISIONAL COMMANDS IN SISOPHON ATTACKED

BK010150 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 30 Apr 87

[From the "Daily Battle Report From Various Battlefields" feature]

[Excerpt] Sisophon--north of Route No 5 battlefield [Battambang Province]:  
On 21 April, our national army launched a five-prong attack against the command headquarters of the 307th and 286th Divisions, the headquarters of the special unit of the 479th Field Command, the headquarters of the 7705th Division, the Ampil District town located at Kouk Mon, and the Vietnamese position defending Ampil District town. The first prong attacked the artillery position of the Vietnamese enemy, the second prong attacked the Ampil District office, the third prong struck at the ammunition and materiel depot of the Vietnamese enemy, the fourth prong assaulted the 307th and 286th Divisions' command headquarters, and the fifth attacked the headquarters of the special unit of the 479th Field Command and the headquarters of the 7705th Division. After 2 hours of fighting, we totally liberated the five fronts. As a result:

We killed 41 Vietnamese soldiers on the spot, including 1 divisional commander, 2 district supervisors, 1 artillery unit commander, and 2 battalion commanders, and wounded 73 others.

We destroyed 83 assorted guns--including 2 122-mm guns, 2 80-mm mortars, 1 60-mm mortar, 9 B-40's and B-41's, 2 12.8-mm guns, 2 AK-52's, 3 RPD's, 12 AK's, 19 SK's, and 31 SKS guns--3 large trucks, 1 large telephone set, 1 typewriter, 4,500 liters of gasoline, 1 district office, 1 espionage school, 4 houses of the Vietnamese district supervisors, 162 barracks, 1 radio headquarters, 1 depot containing assorted ammunition, 1 20 meter-long war materiel depot containing thousands of military uniforms, 1 cloth store house containing thousands of rolls of cloth, 1 warehouse containing hundreds of sacks of salt and rice, 1 warehouse filled with war materiel and other materials, 1 medicine warehouse, and a quantity of war materiel.

We seized 61 [as heard] assorted guns--including 1 60-mm mortar, 1 12.8-mm gun, 2 B-40's, 1 M-79, 3 RPD's, 28 AK's, 20 SK's, 2 pistols, 1 M-16 and 1 carbine--55 sets of military uniforms, 24 hammocks, 2 bicycles, 2 radio receivers, 55 rolls of cloth, and a quantity of ammunition and materiel.

We liberated and sent home 37 inhabitants jailed by the Vietnamese enemy, 300 K-5 corvees, and 80 fraternal Cambodian soldiers.

A number of the Sihanouk Nationalist Army combatants also joined this attack.

Kompong Som battlefield: on 23 April, a Vietnamese enemy train going from Kompong Som to Phnom Penh ran over our land mines east of Damrei Kon. The locomotive and five railroad cars were damaged. Five passengers on the train were killed, and 15 others were wounded. Five guns--a M-30, 2 B-40's, and 2 AK's--and a quantity of war materiel were destroyed.

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CSO: 4200/527

## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

### BRIEFS

SRV SOLDIERS DESERT--On 6 April, 50 Vietnamese soldiers posted at Prek Chi position on Mounng battlefield [Battambang Province] abandoned their weapons and fled back to Vietnam because they clearly realized that the Hanoi Vietnamese clique's war of aggression in Cambodia will be completely defeated. [Excerpt] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 23 Apr 87 BK] /9738

SRV FREIGHT TRAIN AMBUSHED--South of Battambang town battlefield: On 17 April, a Vietnamese train carrying paddy from Battambang was ambushed and burned by our National Army at Svay Teap. Six Vietnamese soldiers on the train were killed and another seven wounded. We destroyed six cars carrying paddy, five AK's, a B-40, an RPK gun, a 12.7-mm machine gun, and some war materiel. On the same day, our National Army attacked the Vietnamese enemy at (Kanghot), killing three and wounding five enemy soldiers. In sum, we killed 9 and wounded 12 enemy soldiers on the battlefield south of Battambang town. [From the "Daily report from various battlefields" feature] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 26 Apr 87 BK] /9738

THAI KING ON DK ANNIVERSARY--To Samdech Norodom Sihanouk, president of Democratic Kampuchea: I would like to extend to you my congratulations and best wishes for your own happiness and well-being as well as the well-being of the the Cambodian people on the occasion of the national day of Democratic Kampuchea. [Signed] Phumiphon [Thai King Phumiphon's greetings to DK President Norodom Sihanouk--date not given] [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 24 Apr 87 BK] /9738

ACTIONS IN PHNOM PENH, SISOPHON--Phnom Penh battlefield: On 19 April our National Army, in cooperation with the local people and fraternal patriotic Cambodian soldiers, lobbed grenades at the Vietnamese in the eastern part of O Russei market, wounding four. On 23 April our National Army, in cooperation with the local people and fraternal patriotic Cambodian soldiers, lobbed grenades at the Vietnamese at kilometer marker No. 6, killing two and wounding three. On 24 April our National Army, in cooperation with the local people and fraternal patriotic Cambodian soldiers, lobbed grenades at the Vietnamese at the Olympic Stadium, killing four on the spot. South Sisophon battlefield: Between 12 and 15 April, our National Army ambushed and routed a Vietnamese regiment launching operations at O Rumduol. We killed 25 Vietnamese soldiers



and wounded 15 others. [From the "Daily battle report from various battlefields" feature] [Excerpts] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 29 Apr 87 BK] /9738

HENG SAMRIN SOLDIERS DEFECT--On 23 April, 18 Cambodian soldiers from the 2nd Battalion, 5th Regiment, 286th Division, stationed at Pou village on north Sisophon battlefield in Battambang Province, defected to our DK National Army, bringing with them many weapons and hand grenades. [Excerpt] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 1 May 87 BK] /9738

VIETNAMESE KILLED IN ATTACKS--Siem Reap battlefield: On 18 April, our National Army lobbed grenades at Vietnamese soldiers at the bridgehead in Siem Reap town, killing three and wounding one. On 20 April, we lobbed grenades at Vietnamese soldiers in front of Siem Reap district office, killing one and wounding three. [From the "Report from various battlefields" feature] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 May 87 BK] /9738

SOLDIERS KILLED BY MINES--Phnom Penh battlefield: On the night of 19 April, our National Army planted two mines at the Olympic stadium. The next morning, two Vietnamese soldiers were wounded when they stepped on these mines. On 25 April, a Vietnamese soldier was wounded by one of our mines in the Kbal Thnal area in Phnom Penh. On 26 April, the Vietnamese stepped on five of our mines at Phsa O Russei market in Phnom Penh; two were killed and three others wounded. [From the "Report from various battlefields" feature] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 2 May 87 BK] /9738

SRV SOLDIERS SWEEP--Preah Vihear battlefield: On 20 April, our National Army attacked and swept the Vietnamese enemy on a 10-km stretch along Stoeng Sen River in Rovieng District [Preah Vihear Province]. We killed or wounded a number of Vietnamese soldiers and liberated five villages: Samret, Samprong, Prey Chnuol, Snuol, and Ke. [From the "Daily report from various battlefields" feature] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 3 May 87 BK] /9738

SACKS OF PADDY TAKEN--According to a report by the KPNLF command, in February and March, Vietnamese authorities took 23,000 sacks of paddy from Battambang Province to Vietnam. The report says on 15 February, at 0700 [0000 GMT], Vietnamese authorities transported 18,000 sacks of paddy from Battambang Province to Phnom Penh and then took them by boat to southern Vietnam. In early March, another 5,000 sacks of paddy were transported by trucks from rice mills in Battambang Province to Phnom Penh; these were then taken by boats to Vietnam. Apart from paddy and rice, there are reports saying the Vietnamese authorities also took many head of cattle to Vietnam. [Text] [(Clandestine) Voice of the Khmer in Cambodian 0500 GMT 4 May 87 BK] /9738

CSO: 4200/527

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

AUSTRIAN LEADER VISITS--Phnom Penh, 21 Apr (SPK)--Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee, has extended warmest congratulations to Franz Muhri on his reelection as president of the Communist Party of Austria (CPA). In his message, General Secretary Heng Samrin expressed his conviction that the communists and working people of Austria, under the leadership of the Communist Party of Austria with Franz Muhri at the head, would record still greater success in implementation of the resolutions adopted by the 26th Congress of the CPA, thus contributing to maintaining peace and stability the world over. The Kampuchean leader also wished the CPA leader the best of health and new success in accomplishing his noble tasks. [Text] [Phnom Penh SPK in English 1119 GMT 21 Apr 87 BK] /9738

MINISTER ADDRESSES MEETING--On 26 April, at the 26 August Hotel, the Defense Ministry concluded the meeting to sum up results of the KPRAF's training courses after a week-long session. Speaking on the occasion, Comrade Ke Kimyan, member of the party Central Committee, deputy defense minister, and KPRAF chief of staff, highly praised the brilliant achievements and results scored by cadres in every unit in their training. The comrade stressed that through training, our KPRAF have been strengthened in quantity and quality and have scored successive results in smashing the enemies. The comrade also called on all members of the audience, upon returning to their units, to implement a number of good experiences acquired at the meeting and increase the efficiency of training courses for combatants to strengthen the defense of the fatherland and safeguard the revolutionary gains. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 27 Apr 87 BK] /9738

CUBAN ASSEMBLY CHAIRMAN--Comrade Chea Sim, chairman of the PRK National Assembly, recently received a message of thanks from Comrade Flavio Bravo Pardo, chairman of the National Assembly of the Cuban people. The message noted: I cordially thank all comrades and friends for their sincere congratulations on my reappointment as the chairman of the National Assembly of the Cuban people. Availing myself of this opportunity, I would like to extend best wishes for success in your 1987 tasks which include our continued efforts to develop the relations between our two assemblies. Please accept my fraternal salutations. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 29 Apr 87 BK] /9738

PARTY LEADER SENDS THANKS--Recently, the general secretary of the LPRP Central Committee sent a message of thanks to the general secretary of the KPRP Central Committee for his greetings on the occasion of the 32nd founding anniversary of the LPRP. The message said, among other things: On behalf of the LPRP Central Committee, party members, and all workers and people of Laos, we would like to express profound thanks to the Central Committee of the KPRP for extending best wishes to us on the 32nd founding anniversary of the LPRP. We wish the fraternal Cambodian people under the leadership of the KPRP greater victories in implementing the resolutions of the fifth KPRP Congress. May the bond of militant solidarity and special friendship between the two parties and two nations of Laos and Cambodia further strengthen and constantly develop.  
[Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 2 May 87 BK] /9738

CSO: 4200/527

## EDITORIAL CALLS FOR EXPANDED CIRCULATION OF COMMODITIES

Hanoi NHAN DAN in Vietnamese 22 Apr 87 pp 1,4

[Editorial: "Expand Circulation of Commodities"]

[Text] Our country's economic base still has multiple components. Alongside the principal ones, the state-operated economy and the collective economy, are also the small-industry production of farmers and handicrafts artisans and the private-capital economy. Recently, with new policies of the party and the state, family sideline businesses have begun to turn out a significant volume of commodities for society. Therefore, along with the flow of goods via the forces of state-operated and collective trade, circulation is also implemented by producer and consumer in the population directly marketing commodities with each other, and services are circulated by urban and rural private businesses.

On 11 March 1987, in the interest of expanding commodity circulation, the chairman of the Council of Ministers released a resolution abolishing control stations on communications routes. This is a concrete implementation of the resolution of the Sixth Party Congress, which clearly pointed out: "In order to rapidly increase the volume of commodities in circulation, the exchange of commodities must be expanded, and all interdiction and division of the market along administrative boundaries abolished." It is also one of the measures for solving the problem of making the market appropriate to the economic situation.

To expand circulation of commodities is to demand regularity from the production effort. For a long time now, the whimsical establishment of many control stations on communications routes has not only hindered the circulation of legitimate merchandize and caused harassment for the people, but has also had an adverse effect on the development of production. In some places, these control stations have been used primarily as an instrument for increasing treasury revenue. In no small number of stations, only about 10 percent of the funds have gone into the local treasury; 90 percent have become private gains from corruption and bribery, and the stations do nothing to uncover or stop black marketeers, tax evaders, and thieves of state property. The end result is that many farmers, handicrafts artisans, and law-abiding workers must endure wrongs, for whenever they bring the surplus products of their labor to sell them in the market, they must pass through control stations and pay a tax here and a fee there set by each locality, or

merchandise is lost or badly damaged by the frequent requirements for unloading and reloading. Such obstacles and harassment lead to severe jeopardy for circulation, making it impossible to get commodities, especially agricultural products, from the place of production to the consumer quickly and causing artificial tensions between supply and demand and in the prices of some goods, in some regions, even on a province and district scale.

The resolution to abolish control stations on communications routes not only erased the difficulties for circulation of commodities and ensured effective state management, but also responded to the aspirations of the masses of working people. Yet the abolishment of control stations does not mean a relaxation in market management or a release of inspection and control. The right of the producer to sell his products and commodities on the market must be on the condition that he fully observe the obligations to pay taxes and fulfill the contracts signed with state economic organizations. All merchandising organizations and individuals must absolutely register their businesses, receive certifications and business permits from trade management agencies of the state, and when they have received a permit must observe the rules and regulations for doing business promulgated by state authorities. Socialist organizations marketing supplies and commodities must adhere to the economic policies and management machinery of the state.

The abolishment of control stations on communications routes furthermore demands that state agencies with inspection and control functions must firmly uphold the law, rely on the power of the people, and ceaselessly raise professional standards to discharge their duties well under the new conditions. Specifically, the industrial and commerce tax must be collected at the place of production or sale in accordance with the law of the state, with assurance that collections are correct and sufficient, and that losses are resolutely stopped. Crops and livestock must be inspected on the spot. Forestry resources are to be inspected in the forest. Specialized forces, along with forces of the masses, are to fight speculation and black marketeering well. We must be resolved from now on to stop instances of arbitrarily establishing commodity control stations or mobile control organizations on communications routes. Places that do not observe the decisions of the state must be sternly and promptly disciplined. Socialist commerce organizations must constantly grow, correctly implementing socialist business structure, controlling and categorizing goods well, and distributing merchandise fast to the place of consumption according to plan.

Liberation of production forces must go hand in hand with resolving distribution. Expanding commodity circulation among regions and localities nationwide in an orderly and intelligent manner will truly contribute to pushing the development of production and the gradual stabilization of life for the people.

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CSO: 4209/400

## RULES FOR REGISTERING ECONOMIC CONTRACTS IN HO CHI MINH CITY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 4 Dec 86 pp 1,4

[Interview with Huynh Van Chau, chairman of Ho Chi Minh City Economic Arbitration, by Le Tien Tuyen, SAIGON GIAI PHONG correspondent; date and place not specified]

[Text] From 1 December 1986, All Economic Contracts Must be Registered at the Economic Arbitration Agency; Units Signing Economic Contracts Must Have Legal Status (Individual Production or Business Households Must Have Business Permits and Bank Accounts); Supplementary Contracts Also Must Be Registered; Registration Time-1 Day For Legal Contracts; Cancel Contracts Which Seriously Violate State Stipulations

Editorial Note: Undertaking to restore order in production and business, and implementing official letter No 3446/UB (signed 4 November 1986) from the municipal people's committee and circular No 421/TT-PC (signed 13 October 1986) from the State Economic Arbitrator, beginning 1 December 1986 the municipal economic arbitrator has stipulated that all economic contracts of all types must be signed at economic arbitration agencies at various levels.

The SAIGON GIAI PHONG correspondent met and talked with Huynh Van Chau, chairman of municipal economic arbitration, about a number of points surrounding the above policy. The following is that exchange.

[Question] Why must economic contracts be registered?

[Answer] The registration of economic contracts is the unified legal stipulation nationwide. Through this, economic arbitration manages execution of the economic contract system from inception with a view toward guiding the units to sign contracts exactly as stipulated by the state, helping the agencies of the administration together with levels to grasp the situation regarding the signing and implementation of economic contracts in the localities and, at the same time, promptly putting a stop to cases of taking advantage of economic contracts in order to carry on production and business activities illegally. The purpose of the economic contract registration is to determine the legality of the contract signed by the unit with respect to procedures and content. Specifically, the subject of the contract (the unit signing the contract) must have sufficient legal status (if an individual

production or business household, it must have a business permit and an account in the bank). The contract must be concluded within the scope of the stipulated function, sector, and trade with a view toward carrying out the task in keeping with the production and business capabilities of the signing parties.

[Question] What are the procedures for registering economic contracts?

[Answer] All state-operated economic organizations, joint state-private enterprises, state agencies, armed units, social groups and organizations, collective economic organizations, individual production and business households, enterprises for life, etc., (called units in general) must, upon signing economic contracts, take the contract to the economic arbitrator for registration. Specifically, for contracts between units under the jurisdiction of the city, the unit responsible for registering is the unit doing the selling, the unit which has goods higher in value than the other party (for contracts marketing goods), the unit assuming the processing or sale of the finished product (for processing contracts or for contracts to buy raw materials sold as finished products). If the unit responsible for registration is at the city level, registration is at the city arbitrator; if precinct or district, registration is at the precinct or district arbitrator. For contracts in which one of the signators is a collective economic unit or an individual production or business household with the other side being other units under the jurisdiction of the city, the latter units are responsible for registration at the local precinct or district economic arbitrator of that collective or private unit.

[Question] Must units subordinate to the central government and other localities having contractual relations with units subordinate to the municipality register economic contracts at the city?

[Answer] The state economic arbitrator has authorized the local economic arbitrator to accept the registration of contracts signed between central units and local units. The foregoing stipulation applies in the city as follows: for all contracts signed between a unit subordinate to the central government or provinces and collective or private household units in the city, the unit subordinate to the central government or provinces is responsible for registration at the local precinct or district of that collective or private unit. Economic arbitrators at various levels will have specific and detailed guidance for each type of economic contract. Moreover, with a view to helping the municipal, precinct and district people's committee to fully monitor economic relations with other provinces and cities in cases in which economic contracts are registered with other provincial or city economic arbitrators, within 5 days after finishing signing, units subordinate to the city are responsible for sending a copy of the registered contract to their economic arbitrator in the city for review.

[Question] Do addenda to contracts have to be registered?

[Answer] Every addendum is aimed toward supplementing, specifying, adjusting or correcting signed contracts. Through monitoring, we see that violations of the principles of economic management, leading to severe damage to a party or

causing major losses to state property, all substantially fall into addenda concluded subsequently. It is now stipulated that all addenda must be registered at the economic arbitrator where the main contract was registered. Units responsible for registering contracts or addenda to contracts which must be registered, but fail to do so, will be punished based on the system for violations of economic contracts. Cancellation of registered contracts also must be carried out exactly as stipulated, and the unit registering the contract must notify the economic arbitrator where registration was received.

[Question] A number of producers and businesses feel that the reason why execution of the laws on economic contracts is not rigid is because review of economic contracts is still superfluous procedurally, wastes time, and impacts on production and business operations. Could you please give us your view on this?

[Answer] First of all, I would like to openly acknowledge this view. The registration of economic contracts is the responsibility of the economic arbitrator and the parties signing contracts. To create conditions for production and open circulation, we have set forth the principle that registration is simple, fast, and precise, but must meet the requirements of the socialist legal system. Economic arbitrators at various levels are improving working methods, moving toward centralizing management of the signing of economic contracts, and reducing examination and approval of contracts. Now the stipulation is as follows: for contracts signed by units which are legal and do not have or have no noteworthy discrepancies with regard to procedure and content, registration takes 1 day. In cases requiring further review, no more than 3 days are required to complete registration. For contracts with discrepancies which must be corrected, we notify the unit and request that it make corrections immediately. After that is done, the economic arbitrator conducts the registration within a day. For a contract which is illegal and seriously violates state stipulations, we request that the parties cancel it and simultaneously notify the concerned agency to oversee it and not put it into effect. Acceptance and payments for contracts, collection of fees, etc., must have ledgers and proof certifying that things are in order. The person who brings the contract for registration has the right to complain to the responsible agency at various levels about cases of improper treatment.

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## NEW CITY RESOLUTION AFFIRMS ROLE OF SMALL INDUSTRY COOPERATIVE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 6 Dec 86 pp 1

[Editorial: "Another Important Decision Representing Sensitivity and Forcefulness"]

[Text] Following the city's Decision 34 and the Council of Ministers' Resolution on the family economy, now comes more good news for laborers: the municipal people's committee has issued the decision enacting a number of policies to stimulate production in the small industry and handicrafts collective economic sector. This is a decision representing the sensitivity, forcefulness, and thorough understanding of the party's viewpoint on transforming socialism and strengthening new production relationships. The Political Bureau's conclusion on a number of questions in the economic field concerning transforming and strengthening new production relationships clearly states: "Socialist transformation must be aimed toward building an increasingly stronger state-operated economy and collective economy, enabling the socialist economy to gain supremacy and develop its superiority...." This also is a decision aimed toward implementing the Political Bureau's draft of Resolution 306 on the basic economic units' right to production and business autonomy. The resolution of the Fourth Municipal Party Congress addressed the question: "Strengthen and improve the quality of collective economic organizations in small industry and handicrafts, agriculture, and trade."

The city's Decision 192 affirmed that the small industry and handicraft cooperative is a component of the socialist economy, the backbone of the collective economy. For the cooperative which actively seeks out the needs of the market, stimulates the search for foreign markets, and is authorized to actively determine the direction of the scale of production income taxes will be calculated definitely for the cooperative at the time of the final accounting of basic installations, avoiding collection of taxes in advance or in arrears. Members of cooperatives enjoy benefits and have obligations according to the system in effect for the state-operated economic sector and, at the same time, enjoy social insurance systems according to the system in force for state workers and civil servants. These are the concrete stipulations really stimulating, mobilizing, and encouraging small industry and handicraft cooperatives to overcome difficulties, step up production, and build strong basic installations which deserve to be a component of the socialist economy and the backbone of the collective economy. The city's

Decision 192 will surely contribute to effectively strengthening and improving the quality of collective economic organizations in the small industry and handicrafts sector, and create advantages for the city to continue to satisfactorily reform small industry and handicrafts by means of suitable forms and steps throughout the entire transitional period.

Cooperative members and cadres managing small industry and handicraft cooperatives and small industry and handicrafts laborers will surely applaud Decision 192 and consider it to be the correct "path for the country to take" so that everyone voluntarily, conscientiously, and enthusiastically contributes energy, capital, technology, skill, and enthusiasm to build an increasingly stronger collective economy in the small industry and handicraft sector.

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## ARTICLE CRITICIZES SALE OF SUBSTANDARD CLOTH TO CADRES, WORKERS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 6 Dec 86 p 4

[Article by Tran Quang Thinh: "Restating a Question to the Trade Sector: Bad Cloth Sold to Workers and Civil Servants: Where Is the Viewpoint?"]

[Text] I did not suspect the little newspaper article "Standard Cloth Distributed to Cadres, Workers, and Civil Servants Extremely Bad" would cause such a violent reaction from those in the weekly meeting of chiefs and deputies of bureaus and sections, enterprises, the state trade corporation, and cooperatives at the municipal trade service on the morning of 5 December 1986. There were even some who raised the same question the paper had.

What's the story? The article of only 300 words published on 29 November only referred to the statements of many cadres, workers, and civil servants about 4 meters of standard cloth that had been recently purchased; it was too crude and of poor quality, whereas on the socialist trade market there is never a shortage of fine, beautiful kinds of cloth for sale. We have gone through quite a long period in which people involved in trade did not need to know whether their cloth met the needs and liking of the buyer, whether the buyer would have use for it or not, what it would be used for, etc. That business practice was identified as a type of bureaucracy and subsidy which must be eliminated and it was condemned vigorously during the present change in economic thinking. That is the type of buying and selling which does not take into account the consumer, and does not listen to his views. It is the type of buying and selling wherein the seller is like the issuer, helper, etc.

Sadly, this type of selling still casts its shadow everywhere. So, the consumer's criticism of trade has in turn been "criticized" by a number of people involved in trade.

We would like to excerpt here the director of the Ready-Made Cloth Corporation's "explanation" for selling bad cloth to cadres, workers, and civil servants in order to channel public opinion.

"Our country is still poor, so the state must sell bad cloth to cadres, workers, and civil servants. Good cloth must be reserved for sale to markets in order to obtain profits to pay to the state. As for the cloth distributed, if someone doesn't want it, go ahead and sell it to the market and buy good

cloth. Instead of the newspaper having to explain to cadres, workers, and civil servants, why not report the opinion of the buyer?"

We won't comment any further. We will just say that the director of the Cloth Corporation also told this correspondent that "whether someone doesn't buy bad cloth or not, everyone is buying it up because it's cheaper than that available on the outside." It appears he feels that cadres, workers, and civil servants are pleased with "buying" that way. Not so. Assuming that cloth could have been bought at the "subsidized" price, every cadre, worker, and civil servant would only be getting paid for their man-days expended which have not been adequately compensated for by wages.

And when we reported the words of a female employee in Precinct 5 who complained about buying cloth to make shorts for her child which her child would not wear, the chief of an office in the Trade Service criticized the newspaper saying "it should not publish items like this." What is the point. There have been profound and subtle statements from our CPV Central Committee's general secretary that everything done is "for the sake of the people." When selling goods to the buyer, who profits? Subjectively thinking, is it for the sake of the seller or for the vital interests of the consumer?

Rather than end the article, there are still two remarks which must be made, also on behalf of the meeting mentioned above. One is the opinion that the municipal trade sector has put a lot of energy into providing goods to the people and to cadres, workers, and civil servants. Why did not the paper say so, instead of criticism of things not done well? (Do you suppose this is the disease of liking praise not criticism, even though praise is off the mark and criticism is on?) The second opinion-- also somewhat unexpected--is that the small newspaper article criticizing the sale of bad cloth to cadres, workers, and civil servants worsened "sector relations."

Truth be told, a large number of comrades in the trade sector are sympathetic to our "selling for the sake of the consumer." And things right or wrong should also be analyzed clearly.

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## UNCONTROLLED CONSTRUCTION OF SIDEWALK CISTERNS DECRIED

Hanoi NHAN DAN in Vietnamese 16 Mar 87 pp 1,4

[Article by Vuong Thuc: "Sidewalks Cry Out For Help!-- 'Intensely' Constructing Cisterns for the Summer"]

[Text] Our city, Hanoi, has experienced electricity and water shortages for many years.

It's the same every year: when summer comes, neighborhood people get concerned about having enough electricity for lights and fans and enough water for cooking, washing, and bathing to fight the heat.

And every year they come up with solutions. Some years they "hook up" to priority lines to bring electricity into homes. Some years they drill into water lines in the street to bring water into homes.

This year--in the last days of spring--the people of Hanoi are witnessing the noisy scenes of sidewalks being dug up on many streets to construct underground cisterns, but still in a sporadic manner.

If you don't believe it, immediately after you finish reading this article, please go and look at four sections of road at the intersection of Hang Gai, Hang Trong, Hang Bong, and Hang Manh (and many other streets). Here the sidewalk is becoming a bustling "worksite" of sidewalk cistern construction. Many cisterns constructed have been put into operation, a number are in the process of being improved. Some cisterns have just begun working.

Going along Hang Trong, from where it starts to where it branches into two streets and down Bao Khanh street only a little more than 100 meters, we counted 37 underground cisterns in the sidewalk. They are on the even-number side as well as the odd-number side. The same is true for the sides of Hang Manh Street and along the even-number side of Hang Bong Street. They are digging up the street to construct cisterns that do not go out to any shops or byways. One sticks out; another draws in. One is dug right next to a building, another is right next to the street. One is big, another is small, one high, another low. One in a square shape, another in a cross, another round. Sidewalk cistern covers also vary greatly. One mound is as large as an barrel of asphalt, another is made of iron and painted green or black or

covered with street asphalt, others are of many colors and appearances. Some residents have playfully purchased pieces of very bright flowered sheet-metal to cover them up with. They sparkle when the sun shines on them. Each cistern has a strong, "impenetrable" lock to prevent loss of the cover and make sure no one draws water!

These cisterns are all being put in without getting anyone's permission. Regulation compliance inspection units and public security forces do not seem to have any opinion. So one resident vies with another. If this keeps up, it probably won't be long before there is a cistern in front of every house on most sidewalks in Hanoi.

Once a cistern is constructed in a sidewalk, where is water obtained to pour into it?

Let me explain. In the process of constructing cisterns, depending on their size, people tap a water main to bring water directly into the house, and install a smaller water pipe to the cistern. Some residents install a valve at the end of the pipe leading to the cistern, so they can shut off the water when the cistern fills up. Those without valves use rubber stoppers or wood plugs (even a handful of wadding, or whatever will stop the flow of water).

They are thus destroying the sidewalks and also tapping water freely and conveniently in order to benefit themselves at the expense of others!

Why must they do this?

Because Hanoi is short of water. The city is presently repairing and improving water supply stations and water mains, so there is more and more of a shortage, especially on streets with higher elevations, at places at the ends of water lines, or in old areas, with small pipes installed during the period of French occupation, where there is a lot of residue damaging pipes, and the water flow is very weak.

Today the population of Hanoi is constantly increasing, several times greater than before liberation. Although the city has had many more underground wells dug, constructed more water works, and installed many large water mains, yet, due to electrical outages, limitations in the supply of chemicals for testing water quality, and the loss of underground and river water sources because of unusual weather conditions over the past few years, and also due to weak management, the city is continually in an unstable water supply situation, especially in the summertime. It is very difficult to be without water in the summer. To have been without it makes you think. This has led some families to vie with each other to dig up the sidewalk and put in cisterns. Individuals vie with each other to do it; families vie with each other to do it. One street vies with another, creating an "emulation movement." Their rationale is: "The family next door is constructing a sidewalk cistern. Much water is going into his cistern; less is pumped into my house. I must therefore do it too." Their reasoning is, "If I do not do it, where will I get water for my use?" Yet that rationale and that reasoning only consider oneself, minimizing social order and civilized behavior on the streets.

Around the sidewalk cisterns have developed many eyesores and noises that have nothing to do with the elegance of the Trang An people! Foreign visitors going by are very surprised, because they have never seen such strange cisterns in any capital of the world. And people have permanently changed the sidewalk around the cistern, making it their own patio, doing as they please, with no consideration for anyone. In the morning they brush their teeth and wash their face. At noon and in the afternoon they wash rice and vegetables. They are gradually beginning to bathe there, too. At first they bathe children, then the adults also take baths.

I have gone by those "open-air patios." Men are in shorts, topless. Women and girls are in slovenly clothes. Some women have their trousers rolled up while they wash and rub their children, the water running noisily. Clothes and all types of towels and mats are also brought out to be washed. Add to these the sounds of scolding children and ranting at husbands. Dirty water is spilled all over the sidewalk, making it difficult for passersby to find a place to step, so they have to step out into the street, where they can easily be hit by vehicles.

In the face of this, I would like to make several suggestions. The water distribution corporation should make an urgent investigation to rapidly develop solutions. There should be an inspection of the water distribution network on streets where sidewalk cisterns are being constructed to determine how to get enough water flowing to each house to serve the daily life needs of the people. If they cannot accomplish this immediately, then they should install more public pumps in these streets so that the people have enough water to use. The pace of construction must be urgently stepped up on projects to improve the water distribution network in the city via modes of cooperation with foreign countries.

Inspection and control should be increased in order to put an immediate stop to these arbitrary practices, in combination with cooperation with functional agencies in order to rapidly develop sources of water for daily life within the summer of 1987.

As for the people of Hanoi--they should not use the water shortage as a pretext for tapping water mains, destroying sidewalks, and constructing underground cisterns in sidewalks. Why did no one do these things in past years when Hanoi had water shortages? Also, the personal advantage is at the expense of many other people. If one family constructs underground cisterns in the sidewalk, the situation of water shortage will return to what it was originally, with no beauty left.

Please return beauty to the sidewalks.

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